

Introduced: 5/14/81
Referred: State Affairs, Labor &
Commerce and Finance

1 IN THE SENATE

BY BRADLEY

2 SENATE BILL NO. 565

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to loans made by the Alaska Housing
7 Finance Corporation and to loans made to veterans; and
8 providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 18.56.088 is amended by adding a new subsection to read:

11 (i) The corporation may not, by regulation,

12 (1) require an income to loan amortization cost ratio of
13 more than 50 percent;

14 (2) disqualify an applicant for a loan solely because the
15 applicant is residing, for purposes of work or employment, at a dif-
16 ferent location than the location of the property for which the appli-
17 cant has applied for the loan, if the applicant's residence for voting
18 purposes is the same as the location of the property for which the
19 applicant seeks the loan.

20 * Sec. 2. AS 18.56.090 is amended by adding a new paragraph to read:

21 (28) develop and prepare, in conjunction with the Department
22 of Revenue and the Department of Commerce and Economic Development,
23 standardized loan documents for residential loans made by or purchased
24 by the state or any state agency.

25 * Sec. 3. AS 18.56.097 is amended by adding a new subsection to read:

26 (b) The corporation may make a loan secured by a subordinate lien
27 if the loan does not exceed the difference between the balance of the
28 first mortgage and 90 percent of the appraised value of the property.

29 * Sec. 4. AS 18.56.101 is amended to read:

1 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The
2 following persons are eligible veterans for the purposes of AS 18.56.-
3 098(d):

4 (1) a person who served in the armed forces of the United
5 States for 181 [90] days or more, or whose service was for less than
6 181 [90] days because of injury or disability incurred in the line of
7 duty, after April 6, 1917,

8 (A) who at the time of induction into the service was a
9 resident of the territory or state, who had been a resident for
10 not less than one year immediately before the person's [HIS]
11 induction, and who returned to the territory or state within one
12 year after discharge as a resident with the intention of remaining
13 in the territory or state; or

14 (B) who, not being a bona fide resident of the terri-
15 tory or state at the time of entry into the service, has been a
16 resident of the territory or state for at least one year at the
17 time of the loan application and has been a resident of the terri-
18 tory or state for least five years; and

19 (C) whose discharge was under honorable conditions;

20 (2) the widow or widower of a member of the armed forces or
21 the widow or widower of an eligible veteran if

22 (A) the member or veteran was a resident of the terri-
23 tory or state for one year before induction into the service;

24 (B) the member or veteran served in the armed forces
25 for at least 181 [90] days after April 6, 1917; and

26 (C) the member's or veteran's [HIS] discharge was under
27 honorable conditions;

28 (3) a person who has served in the Alaska Army National
29 Guard, the Alaska Air National Guard, or the Alaska Naval Militia or

1 who has served in a reserve unit of the United States armed forces in
2 Alaska if the reserve unit required, as a minimum, one weekend each
3 month of duty and 15 consecutive days of active duty training each year
4 for not less than five years and whose discharge was under honorable
5 conditions;

6 (4) a person who has served a total of five years in a
7 National Guard or reserve unit of the United States armed forces which
8 required as a minimum one weekend each month of duty and 15 consecutive
9 days of active duty training each year if the person has been a resident
10 of the state for at least one year at the time of the loan application
11 and has been a resident of the territory or state at least five years
12 and whose discharge was under honorable conditions.

13 * Sec. 5. AS 26.15.040(e) is amended to read:

14 (e) If the real property which secures a loan made under (a)(2)
15 or (a)(4) of this section or under AS 18.56.098 to an eligible veteran
16 is transferred by the borrower and the loan was made five years or more
17 before the transfer, the commissioner of commerce and economic develop-
18 ment shall allow the transferee to assume the outstanding indebtedness
19 on the loan unless the commissioner determines in writing that the
20 credit of the transferee is not satisfactory to assure repayment of the
21 loan. The transferee may assume the outstanding indebtedness on the
22 loan at the existing interest rate on the loan if the applicant [HE] is
23 eligible for a loan under AS 26.15.130 or 26.15.160. If the transferee
24 is not eligible for a loan under AS 26.15.130 or 26.15.160, the trans-
25 feree [HE] may assume the outstanding indebtedness on the loan only if
26 the transferee [HE] agrees to pay interest on the loan at a rate deter-
27 mined by the commissioner of commerce and economic development to re-
28 fect the prevailing market rate of interest on that type of loan.
29 This section applies to loans made before or after June 21, 1980.

1 * Sec. 6. Section 5 of this Act is retroactive to June 21, 1980.

2 * Sec. 7. This Act takes effect July 1, 1981.

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