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Referred: Labor & Commerce and
Finance

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1 IN THE SENATE

2 SENATE BILL NO. 780

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to loans for veterans; and providing
7 for an effective date."

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

9 * Section 1. AS 26 is amended by adding a new chapter to read:

10 CHAPTER 16. VETERANS HOME IMPROVEMENT LOANS.

11 Sec. 26.16.010. VETERANS HOME IMPROVEMENT REVOLVING LOAN FUND.

12 The veterans home improvement revolving loan fund is established in the
13 division of loans and veterans' affairs of the Department of Commerce
14 and Economic Development. The purpose of the fund is to provide quali-
15 fied veterans with loans for improving or rehabilitating their resi-
16 dences.

17 Sec. 26.16.020. ELIGIBILITY FOR LOAN. A veteran is eligible for a
18 loan under this chapter if the veteran is an eligible veteran under
19 AS 18.56.101.

20 Sec. 26.16.030. LOAN TERMS AND CONDITIONS. A loan made under this
21 chapter

22 (1) may not exceed \$10,000;

23 (2) shall be repaid at an interest rate of nine percent;

24 (3) shall be secured by a first or subsequent mortgage on the
25 property that is improved or rehabilitated, or by other security con-
26 sidered sufficient by the department; and

27 (4) may be made only for the purpose of improving or rehabil-
28 itating an owner-occupied single family dwelling, duplex, or manufactured
29 home.

1 Sec. 26.16.040. REPAYMENT OF PRINCIPAL AND INTEREST. Repayments
2 of principal and interest on loans made under this chapter shall be paid
3 by the department into the veterans home improvement revolving loan
4 fund.

5 Sec. 26.16.050. REGULATIONS. The department may adopt regulations
6 to implement the provisions of this chapter.

7 Sec. 26.16.060. SALE OR TRANSFER OF MORTGAGES AND NOTES. The
8 department may sell or transfer at par value or at a premium or discount
9 to a bank or other private purchaser for cash or other consideration the
10 mortgages and notes held by the department as security for loans made
11 under this chapter.

12 Sec. 26.16.070. DEFINITION. In this chapter "department" means
13 the Department of Commerce and Economic Development.

14 * Sec. 2. Appropriations, money, records, equipment, loan documents, and
15 other property of the Alaska World War II veterans' revolving fund (AS 26.-
16 15.090) are transferred to the veterans' home improvement revolving loan
17 fund. Repayments of principal and interest on loans made from the Alaska
18 World War II veterans' revolving fund received after the effective date of
19 this Act shall be transferred to the veterans home improvement revolving loan
20 fund.

21 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
22 070(c).