

Introduced: 1/18/83  
Referred: Labor & Commerce  
and Finance

1 IN THE HOUSE

BY LINDAUER

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HOUSE BILL NO. 57

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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THIRTEENTH LEGISLATURE - FIRST SESSION

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A BILL

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For an Act entitled: "An Act establishing the Alaska State Housing Authority home mortgage program."

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

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\* Section 1. AS 18.55 is amended by adding new sections to read:

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ARTICLE 2A. ALASKA STATE HOUSING AUTHORITY

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HOME MORTGAGE PROGRAM.

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Sec. 18.55.471. PROGRAM ESTABLISHED; PURPOSE. The Alaska State

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Housing Authority home mortgage program is established in the authority. The purpose of the home mortgage program is to assist state residents who might not otherwise be able to buy homes at realistic interest rates.

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Sec. 18.55.472. POWERS AND DUTIES OF THE AUTHORITY. The authority

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shall use the proceeds from the sale of its bonds to the Alaska permanent fund under AS 37.13.120(n) to make loans or purchase mortgages under the terms and conditions set out in AS 18.55.471 - 18.55.479.

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Sec. 18.55.473. CONDITIONS OF LOANS. (a) The authority may

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make a loan to an eligible individual for the purchase of an owner-occupied residence having between one and four dwelling units.

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(b) A loan made under this section

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(1) shall be made at an interest rate of 10 percent;

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(2) may not exceed \$160,000;

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(3) may not exceed 80 percent of the appraised value of the

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residence being purchased;

1 (4) shall be secured by a first mortgage; and

2 (5) may be assumed after a period of four years.

3 Sec. 18.55.474. PURCHASE OF MORTGAGES. The authority shall pur-  
4 chase a mortgage initiated by a bank or other financial institution in  
5 the state if

6 (1) the borrower is eligible to participate in the home  
7 mortgage program under AS 18.55.475;

8 (2) the loan is for an owner-occupied residence having  
9 between one and four dwelling units;

10 (3) the loan meets the conditions set out in AS 18.55.473;

11 (4) the bank or other financial institution retains at  
12 least 10 percent of the financing for the loan, secured by participa-  
13 tion in a first or second mortgage; and

14 (5) the authority has money available to make the purchase.

15 Sec. 18.55.475. BORROWER ELIGIBILITY. (a) To receive a loan  
16 under the home mortgage program a borrower must be a resident of the  
17 state.

18 (b) If a borrower is otherwise eligible for a loan under the  
19 home mortgage program and can demonstrate a record of meeting monthly  
20 rental payments that are comparable to the proposed home mortgage  
21 program loan payments, the authority may not require that the borrower  
22 have a specified level of income as a condition of eligibility for a  
23 home mortgage program loan.

24 (c) The willingness of a bank or other financial institution in  
25 the state to take a second mortgage to secure a retained interest  
26 under AS 18.55.474(4) establishes the financial eligibility of a  
27 borrower under the home mortgage program.

28 Sec. 18.55.476. REGULATIONS. The authority may make and enforce  
29 reasonable regulations to carry out the purposes of AS 18.55.471 -

1 18.55.479.

2           Sec. 18.55.479. DEFINITION. In AS 18.55.471 - 18.55.479 "home  
3 mortgage program" means the Alaska State Housing Authority home mort-  
4 gage program.

5 \* Sec. 2. AS 37.13.120 is amended by adding a new subsection to read:

6           (n) Notwithstanding the other provisions of this section, the  
7 board shall purchase all of the Alaska State Housing Authority bonds,  
8 bearing interest of 10 percent, guaranteed by the Alaska State Housing  
9 Authority, and secured by first mortgages under the Alaska State  
10 Housing Authority home mortgage program (AS 18.55.471 - 18.55.479)  
11 that are offered to it by the Alaska State Housing Authority until 40  
12 percent of the assets of the corporation are invested in the bonds.