

Introduced: 2/25/83
Referred: House Special Committee
on State Loan and Finance

1 IN THE HOUSE

BY LINDAUER AND UEHLING

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HOUSE BILL NO. 229

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to the Alaska Housing Finance Corporation; and providing for an effective date."

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

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* Section 1. AS 18.56 is amended by adding new sections to read:

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Sec. 18.56.300. HOME MORTGAGE PROGRAM ESTABLISHED. The Alaska Housing Finance Corporation home mortgage program is established in the corporation.

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Sec. 18.56.310. POWERS AND DUTIES OF THE CORPORATION. The corporation 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 18.56.300 - 18.56.400.

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Sec. 18.56.520. HOME MORTGAGE FUND. (a) The home mortgage fund is created in the corporation as a trust fund separate and distinct from any other money or funds administered by the corporation. The proceeds from the sale of corporation bonds to the Alaska Permanent fund under AS 37.13.120(n) shall be deposited in the home mortgage fund. The home mortgage fund shall be used only to carry out the purposes of AS 18.56.300 - 18.56.400.

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Sec. 18.56.330. CONDITIONS OF LOANS. (a) The corporation may make a loan under AS 18.56.300 - 18.56.400 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 home mortgage program loan

1 (1) shall be made at an interest rate established by
2 regulation adopted by the corporation;

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

4 (3) may not exceed 80 percent of the appraised value of the
5 residence being purchased;

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

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

8 Sec. 18.56.340. PURCHASE OF MORTGAGES. The corporation shall
9 purchase a mortgage initiated by a bank or other financial institution
10 in the state if

11 (1) the borrower is eligible to participate in the home
12 mortgage program under AS 18.56.350;

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

15 (3) the loan meets the conditions set out in AS 18.56.330;

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

19 (5) the corporation has money available to make the pur-
20 chase.

21 Sec. 18.56.350. BORROWER ELIGIBILITY. (a) To receive a loan
22 under the home mortgage program a borrower must be a resident of the
23 state.

24 (b) If a borrower is otherwise eligible for a loan under the
25 home mortgage program and can demonstrate a record of meeting monthly
26 rental payments that are comparable to the proposed home mortgage
27 program loan payments, the corporation may not require that the bor-
28 rower have a specified level of income as a condition of eligibility
29 for a home mortgage program loan.

1 (c) The willingness of a bank or other financial institution in
2 the state to take a second mortgage to secure a retained interest
3 under AS 18.56.340(4) establishes the financial eligibility of a
4 borrower under the home mortgage program.

5 Sec. 18.56.360. REGULATIONS. The corporation may make and
6 enforce reasonable regulations to carry out the purposes of AS 18.-
7 56.300 - 18.56.400.

8 Sec. 18.56.400. DEFINITION. In AS 18.56.300 - 18.56.400 "home
9 mortgage program" means the Alaska Housing Finance Corporation home
10 mortgage program.

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

12 (n) Notwithstanding the other provisions of this section, the
13 board shall purchase all of the Alaska Housing Finance Corporation
14 bonds, bearing interest at a rate negotiated between the board and the
15 Alaska Housing Finance Corporation, guaranteed by the Alaska Housing
16 Finance Corporation and secured by first mortgages under the Alaska
17 Housing Finance Corporation home mortgage program (AS 18.56.300 -
18 18.56.400) that are offered to it by the Alaska Housing Finance
19 Corporation until 40 percent of the assets of the corporation are
20 invested in the bonds.

21 * Sec. 3. This Act takes effect July 1, 1983.