

Offered: 3/30/83  
Referred: Finance

Original sponsors: Lindauer and Uehling

1 IN THE HOUSE BY THE SPECIAL COMMITTEE ON LOANS  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 229 (Loans)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to the Alaska Housing Finance Corpo-  
7 ration; and providing for an effective date."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 18.56 is amended by adding new sections to read:  
10 Sec. 18.56.300. HOME MORTGAGE PROGRAM ESTABLISHED. The Alaska  
11 Housing Finance Corporation home mortgage program is established in  
12 the corporation.  
13 Sec. 18.56.310. POWERS AND DUTIES OF THE CORPORATION. The  
14 corporation may sell home mortgage program bonds to the Alaska  
15 permanent fund under AS 37.13.120(g)(21) and (n) or to other  
16 purchasers and shall use the proceeds from the sale of the bonds to  
17 make loans or purchase mortgages under the terms and conditions set  
18 out in AS 18.56.300 - 18.56.400.  
19 Sec. 18.56.320. HOME MORTGAGE FUND. The home mortgage fund is  
20 created in the corporation as a trust fund separate and distinct from  
21 any other money or funds administered by the corporation. The pro-  
22 ceeds from the sale of home mortgage program bonds shall be deposited  
23 in the home mortgage fund. The home mortgage fund shall be used only  
24 to carry out the purposes of AS 18.56.300 - 18.56.400.  
25 Sec. 18.56.330. CONDITIONS OF LOANS. (a) The corporation may  
26 make a loan under AS 18.56.300 - 18.56.400 to an eligible individual  
27 for the purchase of an owner-occupied residence having between one and  
28 four dwelling units.  
29 (b) A home mortgage program loan

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

3           (2) may not exceed 95 percent of the appraised value of the  
4 residence being purchased;

5           (3) shall be secured by a first mortgage; and

6           (4) may be assumed after a period of four years on approval  
7 of the corporation in accordance with regulations adopted by the  
8 corporation.

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

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

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

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

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

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

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

25           (b) The corporation shall consider the borrower's rental payment  
26 history as a factor in determining eligibility for a loan under the  
27 home mortgage program.

28           (c) The willingness of a bank or other financial institution in  
29 the state to take a second mortgage to secure a retained interest

1 under AS 18.56.340(4) establishes the financial eligibility of a  
2 borrower under the home mortgage program.

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

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

9 \* Sec. 2. AS 37.13.120(g) is amended by adding a new paragraph to read:  
10 (21) bonds of the Alaska Housing Finance Corporation.

11 \* Sec. 3. 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 may purchase Alaska Housing Finance Corporation bonds.

14 \* Sec. 4. This Act takes effect July 1, 1983.