

Offered: 5/20/83
For Today's Calendar

Original sponsor: House Special Committee
on State Loans

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 302 (Finance) am

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 state housing loan and state
alternative technology loan programs; and providing
for an effective date."

7

8

9

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

10

* Section 1. AS 18.56.096(1) is amended to read:

11

(1) a first mortgage loan under this chapter for a duplex,

12

triplex, or four-plex that exceeds the limitations on first mortgage

13

loans for similar housing purchased by the Federal National Mortgage

14

Association as to principal amount and loan-to-value ratio; [OR]

15

* Sec. 2. AS 18.56.096(2) is amended to read:

16

(2) a second mortgage loan for a duplex, triplex, or four-

17

plex the amount of which, when combined with the principal balance of

18

a first mortgage loan on the property, exceeds the limitation on the

19

amount set out in (1) of this section or that has a loan-to-value

20

ratio, when considered with the principal balance of the first mort-

21

gage loan, that exceeds 90 percent; [.]

22

* Sec. 3. AS 18.56.096 is amended by adding new paragraphs to read:

23

(4) a first mortgage loan for a single-family residence

24

that exceeds the limitations on first mortgage loans for similar

25

housing purchased by the Federal National Mortgage Association as to

26

principal amount by more than 10 percent, or has a loan-to-value ratio

27

that exceeds 95 percent, or a second mortgage loan for a single-family

28

residence, the amount of which, when combined with the principal

29

balance of a first mortgage loan on the property, exceeds the

1 limitations on loans for similar housing purchased by the Federal
2 National Mortgage Association as to principal amount by more than 10
3 percent, or has a loan-to-value ratio, when considered with the prin-
4 cipal balance of the first mortgage loan, that exceeds 90 percent; or

5 (5) a first or second mortgage loan for rental housing
6 unless the borrower agrees not to discriminate against tenants or
7 prospective tenants because of sex, marital status, changes in marital
8 status, pregnancy, parenthood, race, religion, color, national origin,
9 or status as a student.

10 * Sec. 4. AS 18.56.098(g)(1) is amended to read:

11 (1) The interest rate on the first \$90,000 of a mortgage
12 loan purchased with the proceeds of an [THE FIRST] issue of taxable
13 bonds of the corporation is three percent less than [10 PERCENT OR]
14 the cost of funds of that issue, except that

15 (A) if the cost of funds of that issue is less than 10
16 percent, the interest rate is equal to the cost of funds; and

17 (B) if the cost of funds of that issue is more than 10
18 percent, the interest rate may not be less than 10 percent [,
19 WHICHEVER IS LESS].

20 * Sec. 5. AS 18.56.098(g)(5) is amended to read:

21 (5) The interest rate on the first \$90,000 of a mortgage
22 loan purchased with [FROM] money that is not the proceeds of either
23 taxable or tax-exempt bonds [APPROPRIATED TO THE CORPORATION] is the
24 rate the corporation determines is appropriate by application of the
25 provisions of (1) [- (4)] of this subsection. [THE RATE MAY BE BASED
26 ON AN ESTIMATE OF THE COST OF FUNDS OF A PROPOSED ISSUE OR ISSUES OF
27 BONDS.]

28 * Sec. 6. AS 18.56.101 is amended to read:

29 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The

1 following persons are eligible veterans for the purposes of AS 18.56.-
2 098(g) and (h):

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

7 [(A) WHO AT THE TIME OF INDUCTION INTO THE SERVICE WAS
8 A RESIDENT OF THE TERRITORY OR STATE, WHO HAD BEEN A RESIDENT FOR
9 NOT LESS THAN ONE YEAR IMMEDIATELY BEFORE HIS INDUCTION, AND WHO
10 RETURNED TO THE TERRITORY OR STATE WITHIN ONE YEAR AFTER DIS-
11 CHARGE AS A RESIDENT WITH THE INTENTION OF REMAINING IN THE
12 TERRITORY OR STATE; OR

13 (B) WHO, NOT BEING A BONA FIDE RESIDENT OF THE TERRI-
14 TORY OR STATE AT THE TIME OF ENTRY INTO THE SERVICE, HAS BEEN A
15 RESIDENT OF THE TERRITORY OR STATE FOR AT LEAST ONE YEAR AT THE
16 TIME OF THE LOAN APPLICATION AND HAS BEEN A RESIDENT TO THE
17 TERRITORY OR STATE FOR AT LEAST FIVE YEARS; AND

18 (C)] whose discharge was under honorable conditions;

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

21 [(A) THE MEMBER OR VETERAN WAS A RESIDENT OF THE TERRI-
22 TORY OR STATE FOR ONE YEAR BEFORE INDUCTION INTO THE SERVICE;

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

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

27 (3) a person who has served for not less than five years in
28 the Alaska Army National Guard, the Alaska Air National Guard, [OR]
29 the Alaska Naval Militia, or [WHO HAS SERVED IN] a reserve unit of the

1 United States armed forces [IN ALASKA] if the reserve unit required,
2 as a minimum, one weekend each month of duty and 15 consecutive days
3 of active duty training each year [FOR NOT LESS THAN FIVE YEARS] and
4 whose discharge was under honorable conditions.

5 * Sec. 7. AS 18.56.115 is amended to read:

6 Sec. 18.56.115. INDEPENDENT FINANCIAL ADVISOR. In negotiating
7 the private sale of bonds or bond anticipation notes to an under-
8 writer, the corporation may [SHALL] retain a financial advisor. A
9 financial advisor retained under this section must be [WHO IS] inde-
10 pendent from the underwriter.

11 * Sec. 8. AS 44.47.380 is amended to read:

12 Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created
13 in the Department of Community and Regional Affairs, as a revolving
14 loan fund, the housing assistance loan fund consisting of money appro-
15 priated to it by the legislature and repayments of principal of loans
16 made or purchased from the assets of the fund. Interest on loans made
17 or purchased from the assets of the fund must be transferred to the
18 Department of Revenue for deposit in the general fund. The director
19 shall administer the housing assistance loan fund in accordance with
20 AS 44.47.360 - 44.47.560 and shall use the money in the housing assis-
21 tance loan fund to originate, purchase, or participate in the purchase
22 of

23 (1) nonconforming and rural housing mortgage loans;
24 (2) loans made for building materials for nonconforming and
25 rural housing;

26 (3) loans made for renovations or improvements to noncon-
27 forming and rural housing;

28 (4) loans made for the construction of owner-occupied
29 nonconforming and rural housing other than loans to builders or

1 contractors or loans that compensate an owner for the owner's labor or
2 services in constructing the owner's own housing.

3 * Sec. 9. AS 44.47 is amended by adding a new section to read:

4 Sec. 44.47.382. HOME OWNERSHIP ASSISTANCE FUND. (a) There is
5 created in the Department of Community and Regional Affairs, the home
6 ownership assistance fund consisting of money appropriated to it by
7 the legislature. Money in the fund shall be used solely to assist
8 persons of lower and moderate income to purchase or construct single-
9 family homes financed under AS 44.47.360 - 44.47.560 by providing a
10 subsidy to those persons.

11 (b) The subsidy provided by this section may not exceed the
12 amount that is necessary to reduce the annual interest rate paid on
13 the mortgage loan to six percent.

14 (c) A mortgage loan that is subsidized from the home ownership
15 assistance fund may not exceed \$120,000.

16 (d) The division shall adopt regulations that establish maximum
17 income-to-loan payment ratios for persons who apply for a subsidy
18 under this section.

19 (e) In this section, "persons of lower and moderate income"
20 means individuals considered by the division to require assistance
21 under this section because of inadequate income or other limited
22 personal financial resources, taking into consideration

23 (1) the amount of total income available for housing needs;
24 (2) the size of the family;
25 (3) the cost and condition of available housing;
26 (4) standards established in various federal programs for
27 determining eligibility based on income;

28 (5) the ability to enter the private housing market and to
29 pay market amounts for decent, safe, and sanitary housing; and

1 (6) other factors considered relevant by the division.

2 * Sec. 10. AS 44.47.390(4) is amended to read:

3 (4) originate a direct loan for nonconforming or rural

4 housing or purchase or participate in the purchase of a nonconforming

5 or rural housing mortgage loan, other than a loan for the repair,

6 remodeling, rehabilitation, or expansion of an existing owner-occupied

7 residence, if the borrower has an outstanding housing loan made under

8 a state loan program, other than a loan for nonowner-occupied housing

9 under AS 44.47.520, that bears interest at a rate that was less than

10 the prevailing market interest rate for similar housing loans at the

11 time the loan was made.

12 * Sec. 11. AS 44.47.390 is amended by adding a new paragraph to read:

13 (5) originate a direct mortgage loan or purchase or partic-

14 ipate in the purchase of a mortgage loan for rental housing unless the

15 borrower agrees not to discriminate against tenants or prospective

16 tenants because of sex, marital status, changes in marital status,

17 pregnancy, parenthood, race, religion, color, national origin, or

18 status as a student.

19 * Sec. 12. AS 44.47.410 is amended to read:

20 Sec. 44.47.410. INTEREST ON LOANS. (a) The interest rate on a

21 mortgage loan originated or purchased in whole or in part under

22 AS 44.47.380 for nonconforming housing that is not rural housing is

23 one-quarter percent more than [EQUAL TO] the interest rate, as deter-

24 mined under AS 18.56.098(g)(1) - (4), on a mortgage loan purchased

25 under AS 18.56.098(a) from the proceeds of the most recent applicable

26 issue of taxable bonds before the origination or purchase of the

27 mortgage loan originated or purchased under AS 44.47.380.

28 (b) The interest rate on a mortgage loan originated or purchased

29 in whole or in part under AS 44.47.380 for rural housing is one

1 percent less than the interest rate, as determined under AS 18.56.098-
2 (g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from
3 the proceeds of the most recent applicable issue of taxable bonds
4 before the origination or purchase of the mortgage loan originated or
5 purchased under AS 44.47.380 [10-1/2 PERCENT].

6 * Sec. 13. AS 44.47.560(5) is repealed and reenacted to read:

7 (5) "rural" means of or relating to a community in the
8 state with a population of 4,500 or less, as determined by the depart-
9 ment under AS 29.88.015, that

10 (A) is not connected by road or rail to Anchorage; or
11 (B) is connected by road or rail to Anchorage, but is
12 more than 50 air miles from Anchorage;

13 * Sec. 14. AS 45.88.500(2) is amended by adding a new subparagraph to
14 read:

15 (E) a steam, hot water, or ducted hot air central
16 heating system that uses wood or coal for fuel;

17 * Sec. 15. AS 18.56.098(g)(2) and AS 44.47.385 are repealed.

18 * Sec. 16. Section 10 of this Act takes effect January 1, 1984.

19 * Sec. 17. Sections 1 - 9, and 11 - 16 of this Act take effect immedi-
20 ately in accordance with AS 01.10.070(c).