

Offered: 5/25/84
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 663 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to certain state housing loan pro-
7 grams; and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 18.55.996(a) is amended to read:
10 (a) The following associations are given the authority specified
11 in (b) of this section:
12 (1) Arctic Slope Native Association (Barrow and Point Hope)
13 (2) Bering Straits Association (Seward Peninsula, Unala-
14 kleet, St. Lawrence Island)
15 (3) Northwest Inupiat Housing Authority [ALASKA NATIVE
16 ASSOCIATION] (Kotzebue)
17 (4) Association of Village Council Presidents (southwest
18 coast of Alaska including all villages in the Bethel area and all
19 villages on the Lower Yukon River and Lower Kuskokwim River)
20 (5) Tanana Chiefs Conference (Koyukuk, the middle and upper
21 Yukon River villages and the upper Kuskokwim and Tanana River
22 villages)
23 (6) Cook Inlet Tribal Council [ASSOCIATION] (Kenai, Tyonek,
24 Eklutna and Seldovia [ILIAMNA])
25 (7) Bristol Bay Native Association (Dillingham, Upper
26 Alaska Peninsula)
27 (8) Aleut League (Aleutian Islands, Pribilof Islands and
28 that part of the Alaska Peninsula which is in the Aleut League)
29 (9) North Pacific Rim Native Corp. (Cordova, Tatitlek, Port

1 Graham, English Bay, Valdez, Seward, Eyak and Chenega)

2 (10) Tlingit-Haida Central Council or Alaska Native Brother-
3 hood (Southeastern Alaska including Metlakatla)

4 (11) Kodiak Area Native Association (all villages on and
5 around Kodiak Island)

6 (12) Copper River Native Association (Copper Center,
7 Glennallen, Chitina and Mentasta)

8 (13) Alaska Federation of Natives, Inc.

9 (14) Sitka Community Association (Baranof Island).

10 * Sec. 2. AS 18.56.088 is amended by adding a new subsection to read:

11 (i) The board may adopt regulations under (a) - (f) of this
12 section that establish conditions and terms for mobile home loans that
13 are not in accordance with the provisions of this chapter, including
14 conditions and terms relating to owner-occupancy, the number of loans
15 that may be made to a single borrower, and borrower eligibility re-
16 quirements, if the board first determines that the regulations are
17 necessary to ensure the continued security of the mobile home loan
18 portfolio.

19 * Sec. 3. AS 18.56.091 is amended to read:

20 Sec. 18.56.091. HOME OWNERSHIP ASSISTANCE PROGRAM [FUND]. The
21 corporation shall implement a home ownership assistance program [THERE
22 IS ESTABLISHED IN THE CORPORATION THE HOME OWNERSHIP FUND, CONSISTING
23 OF MONEY APPROPRIATED TO IT BY THE LEGISLATURE. MONEY IN THE FUND
24 SHALL BE USED SOLELY] to assist persons of lower and moderate income
25 to purchase homes financed under the special mortgage loan purchase
26 program by providing a subsidy to the persons in an amount not greater
27 than the difference between

28 (1) the amount annually required to pay interest and prin-
29 cipal on that person's loan and real property taxes and insurance for

1 the home purchased with the loan; and

2 (2) 25 percent of that person's annual gross income.

3 * Sec. 4. AS 18.56.096 is amended to read:

4 Sec. 18.56.096. LIMITATION ON POWER TO MAKE OR PURCHASE MORTGAGE
5 LOANS. (a) The corporation may not make, participate in the making
6 of, purchase, or participate in the purchase of

7 (1) a first mortgage loan under this chapter for a duplex,
8 triplex, or four-plex that exceeds the limitations on first mortgage
9 loans for similar housing purchased by the Federal National Mortgage
10 Association as to principal amount and loan-to-value ratio;

11 (2) a second mortgage loan for a duplex, triplex, or four-
12 plex the amount of which, when combined with the principal balance of
13 a first mortgage loan on the property, exceeds the limitation on the
14 amount set out in (1) of this subsection [SECTION] or that has a
15 loan-to-value ratio, when considered with the principal balance of the
16 first mortgage loan, that exceeds 90 percent;

17 (3) a mortgage loan to finance the purchase of new housing
18 or for the improvement or rehabilitation of existing housing, unless
19 the construction, improvement, or rehabilitation work has been per-
20 formed by a contractor who is registered to work as a contractor under
21 AS 08.18; this paragraph does not apply if the construction, improve-
22 ment, or rehabilitation work

23 (A) has been totally or substantially performed by the
24 borrower;

25 (B) has been performed by a borrower who acts as the
26 contractor for the construction, improvement, or rehabilitation
27 work; or

28 (C) has been performed in an area designated by the
29 corporation as exempt from the requirements of this paragraph

1 because of the unavailability of registered contractors in that
2 area;

3 (4) a first mortgage loan for a single-family residence
4 that exceeds the limitations on first mortgage loans for similar
5 housing purchased by the Federal National Mortgage Association as to
6 principal amount by more than 10 percent, or has a loan-to-value ratio
7 that exceeds 95 percent, or a second mortgage loan for a single-family
8 residence, the amount of which, when combined with the principal
9 balance of a first mortgage loan on the property, exceeds the limita-
10 tions on loans for similar housing purchased by the Federal National
11 Mortgage Association as to principal amount by more than 10 percent,
12 or has a loan-to-value ratio, when considered with the principal
13 balance of the first mortgage loan, that exceeds 90 percent; [OR]

14 (5) a first or second mortgage loan for rental housing
15 unless the borrower agrees not to discriminate against tenants or
16 prospective tenants because of sex, marital status, changes in marital
17 status, pregnancy, parenthood, race, religion, color, national origin,
18 or status as a student; or

19 (6) a first mortgage loan if the borrower has an outstand-
20 ing first mortgage housing loan under this chapter or an outstanding
21 first mortgage loan for owner-occupied housing under AS 44.47.

22 (b) The loan-to-value limitation established in (a)(4) of this
23 section does not apply to a qualified loan that is federally insured
24 or guaranteed.

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

26 (g) The corporation shall establish the interest rate on a first
27 mortgage loan purchased under (a) of this section in accordance with
28 the following:

29 (1) The interest rate on the first \$90,000 of a mortgage

1 loan purchased with the proceeds of an issue of taxable bonds of the
2 corporation is three percent less than the cost of funds of that
3 issue, except that

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

6 (B) if the cost of funds of that issue is more than 10
7 percent, the interest rate may not be less than 10 percent.

8 (2) [Repealed

9 (3)] An interest rate determined under this subsection on
10 the first \$90,000 of a mortgage loan that is not purchased from the
11 proceeds of bonds that are qualified veterans' mortgage bonds under
12 the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103A), as
13 amended, shall be reduced by one percentage point if the loan is made
14 to an eligible veteran under AS 18.56.101.

15 (3) [(4)] The interest rate for the amount of a mortgage
16 loan purchased under (a) of this section that exceeds \$90,000 is equal
17 to the cost of funds to the corporation attributable to that part of
18 the loan.

19 (4) [(5)] The interest rate on the first \$90,000 of a
20 mortgage loan purchased with money that is not the proceeds of either
21 taxable or tax-exempt bonds is the rate the corporation determines is
22 appropriate by application of the provision of (1) of this subsection.

23 (5) [(6)] The interest rate on the first \$90,000 of a
24 mortgage loan purchased from the proceeds of bonds that are exempt
25 from taxation [UNDER THE MORTGAGE SUBSIDY BOND TAX ACT OF 1980 (26
26 U.S.C. 103A), AS AMENDED,] other than bonds that constitute qualified
27 veterans' bonds under (i) of this section, is equal to the interest
28 rate determined under (1) and (2) of this subsection on a loan pur-
29 chased under (a) of this section from the proceeds of the most recent

1 applicable issue of taxable bonds sold by the corporation [10 PERCENT
2 OR THE COST OF THE FUNDS, WHICHEVER IS LESS]. A higher or lower
3 interest rate shall be established on the entire loan amount if re-
4 quired to ensure the tax-exempt status of the bonds [UNDER THE MORT-
5 GAGE SUBSIDY BOND TAX ACT].

6 (6) [(7)] In this subsection

7 (A) "cost of funds" means the true interest cost
8 expressed as a rate on bonds of the corporation plus an addi-
9 tional percentage as determined by the corporation to represent
10 the allocable expenses of operation, costs of issuance, and
11 mortgage servicing;

12 (B) "taxable bonds" means bonds bearing interest that
13 is taxable under the provisions of the Mortgage Subsidy Bond Tax
14 Act of 1980 (26 U.S.C. 103A) issued to finance the purchase of
15 first mortgage loans.

16 * Sec. 6. AS 18.56.170(a) is amended to read:

17 (a) Obligations issued under the provisions of this chapter
18 other than state guaranteed bonds do not constitute a debt, liability
19 or obligation of the state or of any political subdivision of the
20 state or a pledge of the faith and credit of the state or of any such
21 political subdivision but are payable solely from the revenues or
22 assets of the corporation. Each obligation issued under this chapter
23 other than a state guaranteed bond shall contain on its face a state-
24 ment that the corporation is not obligated to pay it nor the interest
25 on it except from the revenues or assets of the corporation [PLEGGED
26 FOR IT] and that neither the faith and credit nor the taxing power of
27 the state or of any political subdivision of the state is pledged to
28 the payment of the principal of or the interest on the obligation.

29 * Sec. 7. AS 44.47.560(5) is repealed and reenacted to read:

- 1 (5) "rural" means
2 (A) a community with a population of 4,500 or less in
3 the first or second judicial district of the state;
4 (B) a community with a population of 4,500 or less in
5 the third judicial district of the state that is more than 100
6 nautical miles from the conforming boundary of jurisdiction of
7 the Municipality of Anchorage; or
8 (C) a community with a population of 4,500 or less in
9 the fourth judicial district of the state that is more than 35
10 nautical miles from the conforming boundary of jurisdiction of
11 the City of Fairbanks;

12 * Sec. 8. AS 44.47.630 is amended to read:

13 Sec. 44.47.630. DECLARATION OF PURPOSE. There exists in the
14 state a serious shortage of low cost multiple family residential
15 housing, and owner-occupied housing, in the case of property acquired
16 or to be acquired by the Municipality of Anchorage that was formerly
17 the site of the S&S Apartments [AVAILABLE AT LOW RENTALS]. There also
18 exist [EXISTS] in the state organizations whose purpose is [PURPOSES
19 ARE] to provide the housing needed to alleviate this shortage. De-
20 velopment work to provide this housing involves substantial expense
21 that is often beyond the resources of the organizations.

22 * Sec. 9. The Alaska Housing Finance Corporation may issue bonds in the
23 principal amount of \$1,500,000,000 during the fiscal year ending June 30,
24 1985.

25 * Sec. 10. This Act takes effect July 1, 1984.