

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) am S  
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 and Japonski  
10 Islands [BARANOF ISLAND]).

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

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

20 \* Sec. 3. AS 18.56.091 is amended to read:

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

29 (1) the amount annually required to pay interest and

1 principal on that person's loan and real property taxes and insurance  
2 for the home purchased with the loan; and

3 (2) 25 percent of that person's annual gross income.

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

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

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

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

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

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

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

29 (C) has been performed in an area designated by the

1 corporation as exempt from the requirements of this paragraph  
2 because of the unavailability of registered contractors in that  
3 area;

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

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

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

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

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

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

1           (1) The interest rate on the first \$90,000 of a mortgage  
2 loan purchased with the proceeds of an issue of taxable bonds of the  
3 corporation is three percent less than the cost of funds of that  
4 issue, except that

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

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

9           (2) [Repealed

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

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

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

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

1 purchased under (a) of this section from the proceeds of the most  
2 recent applicable issue of taxable bonds sold by the corporation [10  
3 PERCENT OR THE COST OF THE FUNDS, WHICHEVER IS LESS]. A higher or  
4 lower interest rate shall be established on the entire loan amount if  
5 required to ensure the tax-exempt status of the bonds [UNDER THE MORT-  
6 GAGE SUBSIDY BOND TAX ACT].

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

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

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

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

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

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

2 (5) "rural" means

3 (A) a community with a population of 4,500 or less in  
4 the first or second judicial district of the state;

5 (B) a community with a population of 4,500 or less in  
6 the third judicial district of the state that is more than 100  
7 nautical miles from the conforming boundary of jurisdiction of  
8 the Municipality of Anchorage; or

9 (C) a community with a population of 4,500 or less in  
10 the fourth judicial district of the state that is more than 35  
11 nautical miles from the conforming boundary of jurisdiction of  
12 the City of Fairbanks;

13 \* Sec. 8. AS 44.47.630 is amended to read:

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

23 \* Sec. 9. The Alaska Housing Finance Corporation may issue bonds in the  
24 principal amount of \$1,500,000,000 during the fiscal year ending June 30,  
25 1985.

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