

Introduced: 4/14/83  
Referred: Labor and Commerce  
and Finance

1 IN THE SENATE

BY JOSEPHSON AND V. FISCHER

2

SENATE BILL NO. 253

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 multifamily housing loan  
7 program of the Alaska Industrial Development Author-  
8 ity; and providing for an effective date."

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

10 \* Section 1. Section 69(c)(8), ch. 113, SLA 1982, is amended to read:

11 (8) to use assets of the multifamily housing loans security  
12 fund to establish capital reserve funds to secure bonds issued in  
13 connection with the financing of multifamily housing projects and to  
14 provide a loan loss reserve for loans purchased by the multifamily  
15 housing loan account of the enterprise development fund.

16 \* Sec. 2. Section 69(e), ch. 113, SLA 1982, is amended to read:

17 (e) A capital reserve fund established under this section to  
18 secure bonds issued in connection with the financing of multifamily  
19 housing projects is not subject to the \$10,000,000 limitation stated  
20 in AS 44.88.105(a). The provisions of AS 44.88.105(f) do not apply to  
21 capital reserve funds established to secure bonds issued to finance  
22 one or more multifamily housing projects.

23 \* Sec. 3. Section 69(f), ch. 113, SLA 1982, is amended to read:

24 (f) A multifamily housing loan account is established in the  
25 enterprise development fund of the authority (AS 44.88.155), consist-  
26 ing of money and other assets of the enterprise development fund that  
27 the authority deposits into it. [HOWEVER, THE AUTHORITY MAY NOT  
28 DEPOSIT PROCEEDS FROM THE SALE OF BONDS OF THE AUTHORITY INTO THE  
29 MULTIFAMILY HOUSING LOAN ACCOUNT.] The multifamily housing loan

1 account shall be used only to purchase or originate loans for multi-  
2 family housing projects. The authority may not use proceeds from the  
3 sale of bonds of the authority to finance secondary loans for multi-  
4 family housing. Notwithstanding the provisions of AS 44.88.155(d), a  
5 loan purchased or originated by the authority for the multifamily  
6 housing loan account

7 (1) may not be for a term longer than 30 years from the  
8 date the loan is made;

9 (2) shall be secured by a mortgage or other security in-  
10 strument in the manner the authority determines is feasible to assure  
11 timely repayment under a loan agreement entered into with the bor-  
12 rower; the mortgage or other security instrument constitutes a first  
13 lien against the multifamily housing project, except that it may be  
14 subordinated by the authority to a loan made directly or indirectly  
15 with the proceeds of a sale of bonds by the authority, the Alaska  
16 State Housing Authority, or a municipality of the state during the  
17 time when the loan from these proceeds is outstanding, and may be  
18 subordinated to a loan that refinances the original loan, if the  
19 authority considers it appropriate to do so;

20 (3) shall provide for a schedule of payments of principal  
21 and interest that is satisfactory to the authority, and that may  
22 include, without limitation, deferrals or reductions of payments,  
23 variable payments, balloon payments, sharing in equity appreciation,  
24 and other arrangements;

25 (4) shall be in the form and contain the terms and provi-  
26 sions with respect to insurance, repairs, alterations, payment of  
27 taxes and assessments, default reserves, delinquency charges, default  
28 remedies, acceleration of maturity, secondary liens, and other matters  
29 as the authority prescribes.

1 \* Sec. 4. Section 69(h), ch. 113, SLA 1982, is amended to read:

2 (h) The multifamily housing loans security fund is established  
3 in the authority. The multifamily housing loans security fund con-  
4 sists of money and assets appropriated or transferred to it, the in-  
5 come produced from its investments and holdings, and deposits that the  
6 authority may make from repayments of multifamily housing loans pur-  
7 chased by the multifamily housing loan account of the enterprise de-  
8 velopment fund. The assets of the multifamily housing loans security  
9 fund may be used to establish capital reserve funds to secure bonds  
10 issued in connection with the financing of multifamily housing pro-  
11 jects. The assets of [THE PURPOSE OF] the multifamily housing loans  
12 security fund may also be used [IS] to provide a loan loss reserve for  
13 the enterprise development fund for multifamily housing loans made by  
14 the authority from the multifamily housing loan account of the enter-  
15 prise development fund. The multifamily housing loans security fund  
16 is not a general asset of the authority and may not be pledged or com-  
17 mitted in any way except as provided in this subsection [TO PROVIDE A  
18 LOAN LOSS RESERVE FOR THE ENTERPRISE DEVELOPMENT FUND FOR MULTIFAMILY  
19 HOUSING LOANS MADE BY THE AUTHORITY FROM THE MULTIFAMILY HOUSING LOAN  
20 ACCOUNT OF THE ENTERPRISE DEVELOPMENT FUND]. The authority may

21 (1) establish separate accounts in the multifamily housing  
22 loans security fund for multifamily housing loans, as it finds appro-  
23 priate, and may establish other accounts that it considers appropri-  
24 ate;

25 (2) hold and invest money and other assets of the multi-  
26 family housing loans security fund at competitive national market  
27 rates in the types of investments described in AS 37.10.070(a).

28 \* Sec. 5. Section 69(k)(2), ch. 113, SLA 1982, is amended to read:

29 (2) "multifamily housing project" means a specific

1 building, structure, work, or improvement of five or more dwelling  
2 units, or a group of these buildings, structures, works, or improve-  
3 ments, the primary purpose of which is to provide rental dwelling  
4 accommodations and which qualifies for tax-exempt financing under sec.  
5 103 of the Internal Revenue Code of 1954, as amended (26 U.S.C. sec.  
6 103), or sec. 11(b) of the National Housing Act of 1937, as amended [,  
7 AND WHICH IS ORIGINALLY FINANCED BEFORE JANUARY 1, 1984]; "multifamily  
8 housing project" includes the acquisition, construction, or rehabili-  
9 tation of land, buildings, and improvements for rental dwellings,  
10 accommodations, and other facilities that may be incidental or appur-  
11 tenant to rental dwelling accommodations.

12 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
13 10.070(c).