

Offered: 3/17/86
Referred: House Special Committee on
State Loans and Finance

Original sponsors: Faiks, Halford,
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1 IN THE SENATE
2 HOUSE CS FOR SENATE BILL NO. 263 (HESS)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to disqualification for certain
7 state loan programs for failure to pay child sup-
8 port."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 03.10.030 is amended by adding a new subsection to
11 read:
12 (i) A person is not eligible for a loan under this chapter if
13 the person has a past due child support obligation established by
14 court order or by the child support enforcement division under AS 47.-
15 23.160 - 47.23.220 at the time of application.
16 * Sec. 2. AS 14.43.125(a) is amended to read:
17 (a) A person may apply for and obtain a scholarship loan if the
18 person
19 (1) is
20 (A) enrolled as a full-time student in a career
21 education, associate, baccalaureate, or graduate degree program;
22 or
23 (B) a graduate of a high school or the equivalent, or
24 scheduled for graduation from a high school within six months,
25 with sufficient credits to be admitted to a career education
26 program or to an accredited college or university;
27 (2) is not delinquent or in default on a previously awarded
28 scholarship loan; and
29 (3) is a resident of the state at the time of application

1 for the loan; for purposes of this section, a person qualifies as a
2 resident of the state if at the time of application for the loan the
3 person

4 (A) has been physically present in the state for at
5 least two years immediately before the time of application for
6 the loan;

7 (B) is dependent on a parent or guardian for care, the
8 parent or guardian has been present in the state for at least two
9 years immediately before the time of application for the loan and
10 the person has been present in the state for at least one year of
11 the immediately preceding five years except that the commission
12 may by a two-thirds vote, acting upon a written appeal by the
13 person, grant an exemption to the requirement that the person has
14 been present in the state for one year of the immediately preced-
15 ing five years;

16 (C) has been physically present in the state, or is a
17 dependent of a parent or guardian who has been physically present
18 in the state, for at least two years immediately before the
19 applicant was absent from the state and the absence is due solely
20 to

21 (i) serving an initial period of up to six years
22 on active duty as a member of the armed forces of the United
23 States;

24 (ii) serving, for up to three years, as a full-
25 -time volunteer under the Peace Corps Act;

26 (iii) serving, for up to three years, as a full-
27 time volunteer under the Domestic Volunteer Service Act of
28 1973;

29 (iv) required medical care for the applicant or

1 the applicant's immediate family;
2 (v) being a person who otherwise qualifies as a
3 resident and is accompanying a spouse who qualifies as a
4 resident under (i) - (iv) of this paragraph; or

5 (D) has been physically present in the state, or is a
6 dependent of a parent or guardian who has been physically present
7 in the state, for at least two years immediately before the
8 applicant or the parent or guardian was absent from the state and
9 the absence is due solely to

10 (i) participating in a foreign exchange student
11 program recognized by the commission;

12 (ii) attending a school as a full-time student;

13 (iii) full-time employment by the state;

14 (iv) being a member of or employed full-time by
15 the state's congressional delegation;

16 (v) being a person who otherwise qualifies as a
17 resident and is accompanying a spouse who qualifies as a
18 resident under (i) - (iv) of this paragraph; and

19 (4) does not have a past due child support obligation
20 established by court order or by the child support enforcement divi-
21 sion under AS 47.23.160 - 47.23.220 at the time of application.

22 * Sec. 3. AS 14.43.650(a) is amended to read:

23 (a) To be eligible for a teacher scholarship loan, a student
24 must

25 (1) be a graduate of a public or private high school in the
26 state, with sufficient credits to be admitted to an accredited college
27 or university;

28 (2) be enrolled in or show evidence of intent to enroll in
29 a degree program directed at a teaching career at the elementary or

1 secondary school level;

2 (3) meet the conditions set by the student's local school
3 board with respect to the district's requirements for teachers in
4 particular subject areas; [AND]

5 (4) submit to the local school board an application pro-
6 vided by the student financial aid committee under AS 14.43.630(a)(3);
7 an application may be submitted six months before graduation from high
8 school; and

9 (5) not have a past due child support obligation establi-
10 shed by court order or by the child support enforcement division under
11 AS 47.23.160 - 47.23.220 at the time of application.

12 * Sec. 4. AS 16.10.320(a) is amended to read:

13 (a) Except as permitted in (h) of this section, a loan under
14 AS 16.10.300 - 16.10.370

15 (1) may not exceed a term of 15 years, except for exten-
16 sions under AS 16.10.310(a)(4);

17 (2) may not bear interest exceeding 10 1/2 percent;

18 (3) must be secured by a first priority lien and appropri-
19 ate security agreement; [AND]

20 (4) may not exceed 90 percent of the appraised value of
21 the collateral used to secure the loan; and

22 (5) may not be made to a person who has a past due child
23 support obligation established by court order or by the child support
24 enforcement division under AS 47.23.160 - 47.23.220 at the time of
25 application.

26 * Sec. 5. AS 18.56.096(a) is amended to read:

27 (a) The corporation may not make, participate in the making of,
28 purchase, or participate in the purchase of

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

1 triplex, or four-plex that exceeds the limitations on first mortgage
2 loans for similar housing purchased by the Federal National Mortgage
3 Association as to principal amount and loan-to-value ratio;

4 (2) a second mortgage loan for a duplex, triplex, or four-
5 plex the amount of which, when combined with the principal balance of
6 a first mortgage loan on the property, exceeds the limitation on the
7 amount set out in (1) of this subsection or that has a loan-to-value
8 ratio, when considered with the principal balance of the first mort-
9 gage loan, that exceeds 90 percent;

10 (3) a mortgage loan to finance the purchase of new housing
11 or for the improvement or rehabilitation of existing housing, unless
12 the construction, improvement, or rehabilitation work has been per-
13 formed by a contractor who is registered to work as a contractor under
14 AS 08.18; this paragraph does not apply if the construction, improve-
15 ment, or rehabilitation work

16 (A) has been totally or substantially performed by the
17 borrower;

18 (B) has been performed by a borrower who acts as the
19 contractor for the construction, improvement, or rehabilitation
20 work; or

21 (C) has been performed in an area designated by the
22 corporation as exempt from the requirements of this paragraph
23 because of the unavailability of registered contractors in that
24 area;

25 (4) a first mortgage loan for a single-family residence
26 that exceeds the limitations on first mortgage loans for similar
27 housing purchased by the Federal National Mortgage Association as to
28 principal amount by more than 10 percent, or has a loan-to-value ratio
29 that exceeds 95 percent, or a second mortgage loan for a single-family

1 residence, the amount of which, when combined with the principal
2 balance of a first mortgage loan on the property, exceeds the limi-
3 tations on loans for similar housing purchased by the Federal National
4 Mortgage Association as to principal amount by more than 10 percent,
5 or has a loan-to-value ratio, when considered with the principal
6 balance of the first mortgage loan, that exceeds 90 percent; or

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

12 (6) a first mortgage loan if the borrower has an outstand-
13 ing first mortgage housing loan under this chapter or an outstanding
14 first mortgage loan for owner-occupied housing under AS 44.47; or

15 (7) a loan to a person who has a past due child support
16 obligation established by court order or by the child support enforce-
17 ment division under AS 47.23.160 - 47.23.220 at the time of applica-
18 tion.

19 * Sec. 6. AS 26.15.130 is amended by adding a new subsection to read:

20 (c) A person who has a past due child support obligation estab-
21 lished by court order or by the child support enforcement division
22 under AS 47.23.160 - 47.23.220 at the time of application is not
23 eligible for a loan under this chapter.

24 * Sec. 7. AS 27.09.020 is amended by adding a new subsection to read:

25 (b) A person who has a past due child support obligation estab-
26 lished by court order or by the child support enforcement division
27 under AS 47.23.160 - 47.23.220 at the time of application is not
28 eligible for a loan under this chapter.

29 * Sec. 8. AS 44.47.390 is amended to read:

1 Sec. 44.47.390. LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN
2 FUND. The director may not use the money in the housing assistance
3 loan fund to

4 (1) originate a direct loan or purchase or participate in
5 the purchase of a nonconforming or rural housing mortgage loan that
6 exceeds the limitations on mortgage loans purchased by the Federal
7 National Mortgage Association as to principal amount or loan-to-value
8 ratio;

9 (2) originate a direct loan or purchase or participate in
10 the purchase of a loan made for building materials for nonconforming
11 or rural housing

12 (A) that exceeds \$45,000 or exceeds

13 (i) 80 percent of the appraised value of the work
14 completed on the nonconforming or rural housing for which
15 the loan is made if the nonconforming or rural housing is
16 pledged as collateral for the loan; or

17 (ii) 90 percent of the value of other property
18 that is pledged as security for the loan and that is satis-
19 factory to the director as collateral;

20 (B) unless the terms of the loan agreement require
21 inspections and certifications, as required by regulations of the
22 director, at the expense of the borrower; and

23 (C) unless the period of time allowed for repayment of
24 the loan is equal to or less than 15 years;

25 (3) originate direct loans or purchase or participate in
26 the purchase of a nonconforming or rural housing mortgage loan that is
27 secured by real property the marketable title to which is shown in
28 accordance with AS 44.47.420(b)(2) if the total amount of outstanding
29 nonconforming and rural housing mortgage loans held by the division

1 exceeds 10 times the amount of money in the restricted title loss
2 reserve account (AS 44.47.430);

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- occu-
7 pied residence, if the borrower has an outstanding housing loan made
8 under a state loan program, other than a loan for nonowner-occupied
9 housing under AS 44.47.520, that bears interest at a rate that was
10 less than the prevailing market interest rate for similar housing
11 loans at the time the loan was made;

12 (5) originate a direct mortgage loan or purchase or partic-
13 ipate in the purchase of a mortgage loan for rental housing unless the
14 borrower agrees not to discriminate against tenants or prospective
15 tenants because of sex, marital status, changes in marital status,
16 pregnancy, parenthood, race, religion, color, national origin, or
17 status as a student;

18 (6) originate, purchase, or participate in a loan to a
19 person who has a past due child support obligation established by
20 court order or by the child support enforcement division under AS 47.-
21 23.160 - 47.23.220 at the time of application.

22 * Sec. 9. AS 45.88.020 is amended by adding a new subsection to read:

23 (c) The department may not make a loan under this chapter to a
24 person who has a past due child support obligation established by
25 court order or by the child support enforcement division under
26 AS 47.23.160 - 47.23.220 at the time of application.

27 * Sec. 10. AS 45.89.030 is amended by adding a new subsection to read:

28 (k) The department may not make a loan under this chapter to a
29 person who has a past due child support obligation established by

- 1 court order or by the child support enforcement division under AS 47.-
- 2 23.160 - 47.23.220 at the time of application.