

Original sponsor: Phillips

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR HOUSE BILL NO. 112 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to the servicing of certain residen-  
7 tial housing mortgage loans purchased by the Alaska  
8 Housing Finance Corporation."

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

10 \* Section 1. AS 18.56 is amended by adding a new section to read:

11 Sec. 18.56.135. LOAN SERVICING REQUIREMENTS. (a) If the ser-  
12 vicing of a loan is sold to another person, the seller shall notify  
13 the mortgagor of the sale within 10 days after the actual date of the  
14 sale. The notification must include

15 (1) the name, address, and telephone number of the person  
16 who will assume responsibility for the servicing and accept payments  
17 for the loan;

18 (2) a detailed written financial breakdown of the loan,  
19 including the interest rate, monthly payment amount, and current  
20 escrow balance.

21 (b) The purchaser of loan servicing under (a) of this section  
22 shall

23 (1) issue to the mortgagor corrected coupon or payment  
24 books, if used;

25 (2) within 20 days after the due date of the first payment  
26 to be made to the purchaser,

27 (A) notify the mortgagor of the name, address, and  
28 telephone number of the person from whom the mortgagor can re-  
29 ceive information regarding the servicing of the loan;

1 (B) inform the mortgagor of changes made regarding the  
2 loan escrow account or servicing requirements, including the  
3 interest rate, monthly payment amount, and current escrow bal-  
4 ance.

5 (c) A loan servicing agent shall respond within 15 business days  
6 to a written request for information from the mortgagor. The written  
7 response must include the telephone number of the agent's representa-  
8 tive who can assist the mortgagor.

9 (d) If a mortgagor of a loan is required to maintain funds in an  
10 escrow account to cover the payment of the tax or insurance obliga-  
11 tions for the mortgaged property, the loan servicing agent shall make  
12 each tax or insurance payment in a timely manner as the obligations  
13 become due if the funds in the account are sufficient to cover the  
14 payment. If the funds in the account are insufficient to make the  
15 payment, the loan servicing agent shall promptly notify the mortgagor  
16 of the shortage and may make the payment on behalf of the mortgagor.

17 (e) If a person wilfully or negligently fails to comply with  
18 this section, the person is liable to the mortgagor for

- 19 (1) the actual damages caused by the failure; and  
20 (2) \$500 for each failure to comply.

21 (f) In this section

22 (1) "loan" means a mortgage loan purchased by the corpo-  
23 ration under a residential housing loan program authorized by this  
24 chapter;

25 (2) "loan servicing agent" means an institution other than  
26 the Alaska Housing Finance Corporation that services a loan.