

Original sponsors: Donley, Ellis,  
Boucher, et al.

1 IN THE HOUSE

BY THE LABOR AND  
COMMERCE COMMITTEE

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CS FOR HOUSE BILL NO. 432 (L&C)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FIFTEENTH LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act authorizing the Alaska Housing Finance Corpo-

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ration to accept trades in certain cases; and provid-

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ing for an effective date."

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

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\* Section 1. PURPOSE AND AUTHORIZATION. (a) The legislature finds

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that a sizeable proportion of the residents of the state have mortgages

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that exceed both the present value of the property and the present ability

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of the mortgagors of the property to make the payments agreed to in the

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past. The purpose of this Act is to direct the Alaska Housing Finance

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Corporation to use creative solutions to the present crisis in the housing

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market and, at the same time, to permit the corporation to seek the dis-

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posal of surplus residences within the corporation's inventory.

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(b) The Alaska Housing Finance Corporation may permit mortgagors who

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are experiencing difficulty in meeting their mortgage payments to return

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the residence and its mortgage to the Alaska Housing Finance Corporation

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and to enter into a new mortgage for different residential property subject

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to the control of the corporation at rates that are more within the ability

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of the mortgagors.

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(c) The Alaska Housing Finance Corporation may also permit a mortga-

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gor who is willing to accept the responsibility for a larger mortgage to

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offer an existing residence and its mortgage to the corporation and enter

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into a new mortgage for different residential property subject to the

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control of the corporation.

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(d) The Alaska Housing Finance Corporation, the mortgage insurers,

1 and the mortgagor shall, in each case, work together to reduce the negative  
2 equity that may be present in individual cases.

3 (e) Subject to appropriations, the Alaska Housing Finance Corporation  
4 may use up to 1 percent of its total fund equity to achieve the purposes of  
5 this section.

6 (f) In this section, "residence" includes mobile homes.

7 \* Sec. 2. This Act is repealed July 1, 1991.

8 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).