

1 IN THE SENATE

BY FAIKS

2 SENATE BILL NO. 248

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 interest rates charged in
7 state land sale contracts."

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

9 * Section 1. AS 38.05.065(a) is amended to read:

10 (a) The contract of sale for land sold at public auction under
11 AS 38.05.055 shall require the remainder of the purchase price to be
12 paid in monthly, quarterly, or annual installments over a period of 20
13 years, with interest at the [PREVAILING] rate for nonsubsidized real
14 estate mortgage loans made by the [FEDERAL LAND BANK FOR THE FARM
15 CREDIT DISTRICT FOR] Alaska Housing Finance Corporation at the time
16 the contract is signed. Installment payments plus interest shall be
17 set on the level-payment basis.

18 * Sec. 2. AS 38.05.065(b) is amended to read:

19 (b) The contract of sale for land sold under AS 38.05.057 and
20 under AS 38.05.078 shall require the remainder of the purchase price
21 to be paid in monthly, quarterly, or annual installments over a period
22 of not more than 20 years. Installment payments plus interest shall
23 be set on the level-payment basis. The interest rate to be charged on
24 installment payments is the [PREVAILING] rate for nonsubsidized real
25 estate mortgage loans made by the [FEDERAL LAND BANK FOR THE FARM
26 CREDIT DISTRICT FOR] Alaska Housing Finance Corporation at the time
27 the contract is signed.

28 * Sec. 3. A purchaser holding a land sale contract entered into under
29 AS 38.05.065(a) or (b) before the effective date of this Act may refinance

1 the contract on payment of a refinancing fee of \$250. The interest charged
2 on the balance due after refinancing shall be calculated under
3 AS 38.05.065(a) or (b) as amended by sec. 1 or 2 of this Act.