

Offered: 1/17/90  
Referred: Finance

6-1011H

Original sponsor(s): REP. ULMER, Hudson

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 218 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

6 For an Act entitled: "An Act extending the authority of the Alaska Housing  
7 Finance Corporation to assist in the development of  
8 congregate housing; and providing for an effective  
9 date."

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

11 \* Section 1. AS 18.56.090 is amended to read:

12 Sec. 18.56.090. GENERAL POWERS. In addition to other powers  
13 granted in this chapter, the corporation may, for the purpose of  
14 providing housing for persons of lower and moderate income or persons  
15 located in remote, underdeveloped, or blighted areas of the state and  
16 for its other corporate purposes,

17 (1) [REPEALED

18 (2)] make or participate in the making of mortgage loans to  
19 sponsors, developers, builders, and purchasers of residential housing,  
20 if the corporation determines that mortgage loans are not otherwise  
21 available, wholly or in part, from private lenders upon reasonably  
22 equivalent terms and conditions;

23 (2) [(3)] purchase or participate in the purchase of mort-  
24 gage loans made to sponsors, developers, builders, owners, and pur-  
25 chasers of residential housing, if the corporation

26 (A) has given approval before the initial making of  
27 the loan and has determined that mortgage loans were, at the time  
28 the approval was given, not otherwise available, wholly or in  
29 part, from private lenders upon reasonably equivalent terms and

1 conditions; [,] or

2 (B) has determined that the purchase or participation  
3 will result in additional residential housing, taking into ac-  
4 count without limitation such factors as reinvestment of the  
5 proceeds of the sale in additional mortgage loans, increased  
6 availability of mortgage loans insured by the federal government,  
7 its agencies, or departments, the reduction, if any, of interest  
8 payments to be made with respect to mortgage loans, or such other  
9 factors as will tend to increase or improve the supply of res-  
10 idential housing within the state;

11 (3) [(4)] make partial rental payments and mortgage inter-  
12 est payments under a contract with any housing owner if the payments  
13 will be applied to decrease rental or mortgage interest charges of  
14 persons of lower and moderate income or owners or purchasers of res-  
15 idential housing in remote, underdeveloped or blighted areas of the  
16 state;

17 (4) [(5)] make loans from the housing development fund;

18 (5) [(6)] collect and pay reasonable fees and charges in  
19 connection with making, purchasing, and servicing its mortgages,  
20 loans, notes, bonds, certificates, commitments, and other evidences of  
21 indebtedness;

22 (6) [(7)] acquire real property, or any interest in real  
23 property, in its own name, by purchase, transfer, or foreclosure, when  
24 the acquisition is necessary or appropriate to protect any loan in  
25 which the corporation has an interest; sell, transfer, and convey the  
26 property to a buyer; and, if the sale, transfer, or conveyance cannot  
27 be effected with reasonable promptness or at a reasonable price, rent  
28 or lease the property to a tenant pending the sale, transfer, or  
29 conveyance;

1           (7) [(8)] sell, at public or private sale, to any pur-  
2 chaser, including the Federal National Mortgage Association, all or  
3 any part of a mortgage or other instrument or document securing a  
4 construction, land development, mortgage, or temporary loan of any  
5 type permitted by this chapter;

6           (8) [(9)] purchase, in order to meet the requirements of  
7 the sale of its mortgages to the Federal National Mortgage Associa-  
8 tion, stock of the Federal National Mortgage Association;

9           (9) [(10)] procure insurance against any loss in connection  
10 with its operation;

11           (10) [(11)] consent to the modification of the rate of  
12 interest, time of payment of any installment of principal or interest,  
13 or any other terms, of the mortgage loan, mortgage loan commitment,  
14 construction loan, temporary loan, contract, or agreement of any kind  
15 to which the corporation is a party;

16           (11) [(12)] borrow money as provided in this chapter to  
17 carry out and effectuate its corporate purposes; and issue its obliga-  
18 tions as evidence of borrowing;

19           (12) [(13)] include in any borrowing the amounts necessary  
20 to pay financing charges, interest on the obligations for a period not  
21 exceeding one year after the date on which the corporation estimates  
22 funds will otherwise be available to pay the interest, consultant,  
23 advisory, and legal fees, and other expenses that are necessary or  
24 incident to this borrowing;

25           (13) [(14)] under AS 18.56.088, adopt and publish regu-  
26 lations respecting its lending programs and other regulations that are  
27 necessary to effectuate its purposes;

28           (14) [(15)] provide technical and advisory services to  
29 sponsors, builders, and developers of residential housing and to

1 residents of it;

2           (15) [(16)] promote research and development in scientific  
3 methods of constructing low-cost and energy-efficient residential  
4 housing of high durability;

5           (16) [(17)] make and execute agreements, contracts, and  
6 other instruments necessary or convenient in the exercise of the  
7 powers and functions of the corporation under this chapter, including  
8 contracts with any person, firm, corporation, governmental agency, or  
9 other entity;

10           (17) [(18)] receive, administer, and comply with the con-  
11 ditions and requirements respecting any appropriation or gift, grant,  
12 or donation of property or money;

13           (18) [(19)] sue and be sued in its own name;

14           (19) [(20)] adopt an official seal;

15           (20) [(21)] adopt bylaws for the regulation of its affairs  
16 and the conduct of its business, and adopt regulations and policies in  
17 connection with the performance of its functions and duties;

18           (21) [(22)] employ fiscal consultants, engineers, attorneys,  
19 real estate counselors, appraisers, and other consultants and em-  
20 ployees that may be required in the judgment of the corporation, and  
21 fix and pay their compensation from funds available to the corpo-  
22 ration;

23           (22) [(23)] do all acts and things necessary, convenient, or  
24 desirable to carry out the powers expressly granted or necessarily  
25 implied in this chapter;

26           (23) [(24)] invest or reinvest, subject to its contracts  
27 with noteholders and bondholders, any money or funds held by the  
28 corporation in any obligations or other securities or investments in  
29 which banks or trust companies in the state may legally invest funds

1 held in reserves or sinking funds or any funds not required for imme-  
2 diate disbursement, and in certificates of deposit or time deposits  
3 secured by obligations of, or guaranteed by, the state or the United  
4 States;

5 (24) [(25) REPEALED

6 (26) REPEALED

7 (27) REPEALED

8 (28)] purchase a mortgage loan made to refinance an existing  
9 mortgage loan, without regard to whether the corporation holds the  
10 existing mortgage loan, as long as the interest rate and fees charged  
11 to the borrower are sufficient to fully reimburse the corporation for  
12 all costs incurred by the corporation in purchasing the mortgage loan  
13 and as long as the borrower will be in compliance with AS 18.56.-  
14 096(a)(6) after purchase of the mortgage loan by the corporation;

15 (25) participate in the making of mortgage loans to bor-  
16 rowers for congregate housing under AS 18.56.100(b)(1) as the pur-  
17 chaser of those loans.

18 \* Sec. 2. AS 18.56.100(b) is amended to read:

19 (b) Consistent with AS 18.56.090, the corporation may make  
20 temporary and permanent loans from the housing development fund, at an  
21 interest rate or rates determined by the corporation, and with the  
22 security for repayment that is necessary and practicable, to purchase,  
23 make, or participate in the making of mortgage loans

24 (1) to borrowers who are individuals, nonprofit corpora-  
25 tions, or agencies of the state or a municipal government, for loans  
26 to develop, build, repair, remodel, or rehabilitate residential hous-  
27 ing that is to be used and occupied as congregate housing; or

28 (2) that are not federally insured or guaranteed for res-  
29 idential housing, if the corporation determines that the loans are not

1 otherwise available, wholly or in part, from private lenders upon  
2 reasonably equivalent terms and conditions.

3 \* Sec. 3. AS 18.56.100 is amended by adding new subsections to read:

4 (1) The corporation shall use money in the housing development  
5 fund to reduce the interest payable by borrowers who develop housing  
6 under (b)(1) of this section. The corporation may reduce the interest  
7 rate on a loan entered into under (b)(1) of this section and this  
8 subsection to one percent less than the interest rate payable on the  
9 corporation's bonds issued under AS 18.56.110 - 18.56.170 for develop-  
10 ment of the project. If a project developed by a borrower with a  
11 reduced interest subsidy made under this subsection ceases to be used  
12 for congregate housing, the corporation shall adjust the interest rate  
13 payable on the unpaid balance of the loan to the prevailing rate of  
14 interest charged by the corporation on loans made for other residen-  
15 tial purposes, but may not reduce the interest rate payable below the  
16 subsidized rate.

17 (m) The corporation shall adopt regulations to implement (b)(1)  
18 and (1) of this section that

19 (1) determine borrower eligibility;

20 (2) define procedures for the application, review, and  
21 approval of authorized loans;

22 (3) establish loan guidelines, loan terms, and acceptable  
23 security for loans; and

24 (4) identify characteristics of housing projects eligible  
25 for loans.

26 (n) In (b)(1), (1), and (m) of this section "congregate housing"  
27 means a multi-family group-living building that contains individual  
28 residence areas and common facilities for congregate living.

29 \* Sec. 4. AS 18.56.105 is amended to read:

1           Sec. 18.56.105. ALLOCATION OF LENDING ACTIVITIES. The corpo-  
2           ration shall designate regions within the state that, [WHICH] in the  
3           aggregate, encompass the entire state. In participating in the making  
4           or purchasing of loans under AS 18.56.090(1) and (2) [AS 18.56.090(2)  
5           AND (3)] or under AS 18.56.100, the corporation shall make its money  
6           available through the private financial institutions in the state  
7           within each region designated by the corporation under this section.  
8           The corporation shall allocate its money among the regions on the  
9           basis of recent and future anticipated lending activity as well as the  
10          potential need for the loans in each region and may reallocate its  
11          money among the regions as it considers appropriate to reflect changes  
12          in lending activity or need in the regions.

13       \* Sec. 5. AS 18.56.110(g) is amended to read:

14               (g) Notwithstanding AS 18.56.090(11) [AS 18.56.090(12)] and (a)  
15               of this section, the corporation may not issue bonds in any 12-month  
16               period beginning after June 30, 1983, in an amount that exceeds the  
17               amount of bonds authorized to be issued during the preceding period,  
18               unless a different amount is authorized by the legislature. This  
19               subsection does not apply to the issuance by the corporation of re-  
20               funding bonds or to the issuance by the corporation of bonds the  
21               proceeds of which are intended to be used to refinance mortgage loans  
22               held by the corporation.

23       \* Sec. 6. This Act takes effect July 1, 1990.