

Original sponsor(s): REP. SWACKHAMMER, Navarre, Brown, Zawacki

1 IN THE HOUSE BY THE LABOR & COMMERCE COMMITTEE  
2 CS FOR HOUSE BILL NO. 368 (L&C)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to residential housing assistance  
7 provided by the Alaska Housing Finance Corporation."

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

9 \* Section 1. AS 18.56.088(c) is amended to read:

10 (c) The board may adopt regulations to carry out the purposes of  
11 this chapter, and shall adopt regulations necessary for the following  
12 purposes:

13 (1) determination of borrower eligibility including, but  
14 not limited to, income limitations and the determination of remote,  
15 underdeveloped or blighted areas of the state;

16 (2) loan guidelines and terms including but not limited to  
17 maximum loan amounts and required loan-to-value ratios, but excluding  
18 mortgage loan interest rates;

19 (3) characteristics of housing eligible for loans or pur-  
20 chase of loans, including compliance with the requirements of AS 18.-  
21 56.300; [AND]

22 (4) the qualifications of loan originators and servicers and  
23 the method of allocating amounts available for the purchase of loans;  
24 and [.]

25 (5) establishment of a procedure, including a fee schedule,  
26 for the commitment for one year or less of money for the purchase of  
27 an individual mortgage loan at a specific interest rate.

28 \* Sec. 2. AS 18.56 is amended by adding a new section to read:

29 Sec. 18.56.300. CONSTRUCTION STANDARDS FOR HOUSING ELIGIBLE FOR

1 PURCHASE OF LOANS. (a) The corporation may not make or purchase a  
2 housing loan for residential housing constructed after June 30, 1991,  
3 unless the seller of the mortgage loan complies with the provisions of  
4 this section and unless

5 (1) the unit is in compliance with the construction codes  
6 of the municipality, if the unit is located within a municipality that  
7 has adopted and enforces construction codes and each of those codes  
8 meets or exceeds the comparable standards for similar housing estab-  
9 lished by the state building code; or

10 (2) the unit is in compliance with the comparable standards  
11 for similar housing established by the state building code

12 (A) if the unit is located

13 (i) within a municipality whose construction  
14 codes do not meet the standards for similar housing estab-  
15 lished by the state building code;

16 (ii) within a municipality that does not enforce  
17 construction codes; or

18 (iii) outside a municipality; or

19 (B) as to each specific code within the construction  
20 codes of the municipality that has adopted and enforces con-  
21 struction codes if the specific code does not meet or exceed the  
22 comparable standard for similar housing established by the state  
23 building code.

24 (b) As a condition of a commitment to purchase or approve a loan  
25 under this section for residential housing that is constructed after  
26 June 30, 1991, the corporation shall require inspection of the unit of  
27 residential housing that is the subject of the loan. The inspection  
28 must be performed by a municipal building inspector or by a person who  
29 is approved or certified to perform residential inspections by the

1 International Conference of Building Officials. The person who makes  
2 the inspection shall determine whether the construction conforms to  
3 relevant provisions of the construction codes of the municipality or  
4 of the state building code, as applicable, at each of the following  
5 stages of construction:

- 6 (1) plan approval;
- 7 (2) completion of footings and foundations;
- 8 (3) completion of electrical installation, plumbing, and  
9 framing;
- 10 (4) completion of installation of insulation;
- 11 (5) final approval.

12 (c) An action for damages may not be maintained against a person  
13 performing an inspection under (b) of this section if the claim is  
14 based on the person's inspection or failure to inspect for a violation  
15 of the construction codes of the municipality or the state building  
16 code, as applicable, as a condition of approval of a housing loan  
17 under this chapter.

18 (d) In this section,

19 (1) "construction codes" means, with reference to a munic-  
20 ipality, the building, mechanical, plumbing, and electrical codes, or  
21 any of them that have been adopted and are enforced by the municip-  
22 ality;

23 (2) "state building code" means

24 (A) for building and mechanical standards, the minimum  
25 building and mechanical code provisions adopted by regulation by  
26 the Department of Public Safety under AS 18.70.080;

27 (B) for plumbing standards, the minimum plumbing code  
28 adopted by the Department of Labor under AS 18.60.705; and

29 (C) for electrical standards, the minimum electrical

1 standards prescribed by AS 18.60.580.