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Economic Development, State Affairs
and Finance

6-1771A

BY SEN. FISCHER

1 IN THE SENATE

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SENATE BILL NO. 344

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 LOANS OR PURCHASE OF LOANS. (a) The corporation may not make or
2 purchase a housing loan for residential housing constructed after the
3 effective date of this section unless the borrower complies with the
4 provisions of this section.

5 (b) The corporation may not make or approve purchase of a loan
6 for the construction of a new unit of residential housing or for the
7 purchase of an existing unit of residential housing constructed after
8 the effective date of this section unless

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

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

16 (A) if the unit is located

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

20 (ii) within a municipality that does not enforce
21 construction codes; or

22 (iii) outside a municipality; or

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

28 (c) As a condition of approval of a loan under this section, the
29 corporation shall require inspection of the unit of residential

1 housing that is the subject of the loan. The inspection must be
2 performed by a municipal building inspector or by a person who is
3 approved or certified to perform residential inspections by the Inter-
4 national Conference of Building Officials. The person who makes the
5 inspection shall determine whether the construction conforms to rele-
6 vant provisions of the construction codes of the municipality or of
7 the state building code, as applicable, at each of the following
8 stages of construction:

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

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

21 (e) In this section,

22 (1) "construction codes" means, with reference to a munic-
23 ipality, the building, mechanical, plumbing, and electrical codes, or
24 any of them that have been adopted and are enforced by the municipa-
25 lity;

26 (2) "state building code" means

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

1 (B) for plumbing standards, the minimum plumbing code
2 adopted by the Department of Labor under AS 18.60.705; and
3 (C) for electrical standards, the minimum electrical
4 standards prescribed by AS 18.60.580.