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6-1771H

Original sponsor(s): SEN. FISCHER

1 IN THE SENATE BY THE BANKING & ECONOMIC DEVELOPMENT COMMITTEE
2 CS FOR SENATE BILL NO. 344 (B&ED)
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
23 and the method of allocating amounts available for the purchase of
24 loans; 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 the construction of which begins
3 after June 30, 1991, unless the seller of the mortgage loan complies
4 with the provisions of 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 the construction of which
26 begins after June 30, 1991, the corporation shall require inspection
27 of the unit of residential housing that is the subject of the loan.
28 The inspection must be performed by a municipal building inspector or
29 by a person who is approved or certified to perform residential

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

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

13 (c) A person may not bring an action for damages based on a duty
14 imposed by (b) of this section to inspect a residential unit unless
15 the action is for damages caused by gross negligence or intentional
16 misconduct.

17 (d) This section does not apply to a housing loan made by the
18 corporation under AS 18.56.106.

19 (e) In this section,

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

24 (2) "state building code" means

25 (A) for building standards, the standards set out in
26 the version of the Uniform Building Code adopted by the Depart-
27 ment of Public Safety under AS 18.70.080, including the pro-
28 visions of that code applicable to buildings used for residential
29 purposes containing fewer than four dwelling units,

1 notwithstanding the exclusion of those buildings from the Depart-
2 ment of Public Safety's jurisdiction made by AS 18.70.080(a)(2);

3 (B) for mechanical standards, the standards set out in
4 the version of the Uniform Mechanical Code adopted by the Depart-
5 ment of Public Safety under AS 18.70.080, including the pro-
6 visions of that code applicable to buildings used for residential
7 purposes containing fewer than four dwelling units, notwithstand-
8 ing the exclusion of those buildings from the Department of
9 Public Safety's jurisdiction made by AS 18.70.080(a)(2);

10 (C) for plumbing standards, the minimum plumbing code
11 adopted by the Department of Labor under AS 18.60.705; and

12 (D) for electrical standards, the minimum electrical
13 standards prescribed by AS 18.60.580.

14 * Sec. 3. AS 18.56.300(e)(2)(A) and (B), enacted by sec. 2 of this Act,
15 are intended to assure that, for purposes of determining whether housing
16 the construction of which begins after June 30, 1991, meets the building
17 and mechanical standards under AS 18.56.300(a) and (b), enacted by sec. 2
18 of this Act, the standards set out in each of the following fully apply to
19 residences containing fewer than four dwelling units, even though those
20 residences are excepted from regulation by AS 18.70.080(a)(2):

21 (1) the Uniform Building Code, adopted for the state by 13 AAC
22 50.020(a);

23 (2) the Uniform Mechanical Code, adopted for the state by 13 AAC
24 50.020(b).