

SENATE BILL NO. 226

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR HALFORD

Introduced: 3/25/91
Referred: Labor and Commerce

A BILL**FOR AN ACT ENTITLED**

1 "An Act revising the loan authority of the Alaska Industrial Development and Export
2 Authority; and providing for an effective date."

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

4 * Section 1. AS 44.88.155(d) is amended to read:

5 (d) A loan purchased in whole or in part by the authority with assets of the enterprise
6 development account or with proceeds of bonds secured by assets of the enterprise development
7 account, other than a loan which is financed with the proceeds of bonds of the authority and
8 secured only by a project applicant or a project,

9 (1) may not exceed \$10,000,000;

10 (2) may not exceed the cost of the project or 75 percent of the appraised value
11 of the project, whichever is less, unless the amount of the loan in excess of this limit is federally
12 insured or guaranteed or is insured by a qualified mortgage insurance company;

13 (3) may not be for a term longer than three-quarters of the authority's estimate
14 of the life of the project or 25 years from the date the loan is made, whichever is earlier;

1 (4) shall contain [COMPLETE] amortization provisions; the amortization
2 provisions

3 (A) must be complete and satisfactory to the authority and require
4 [REQUIRING] periodic payments by the borrower;

5 (B) may not require the loan originator to amortize the portion of the
6 loan retained by the loan originator for longer than the amortization period for the
7 portion of the loan held by the authority or for 10 years, whichever is less;

8 (5) shall be in the form and contain the terms and provisions with respect to
9 insurance, repairs, alterations, payment of taxes and assessments, default reserves, delinquency
10 charges, default remedies, acceleration of maturity, secondary liens, and other matters the
11 authority prescribes;

12 (6) shall be secured as to repayment by a mortgage or other security instrument
13 in the manner the authority determines is feasible to assure timely repayment under a loan
14 agreement entered into with the borrower;

15 (7) may not be made unless

16 (A) at least 20 percent of the principal amount of the loan is retained by
17 the originator of the loan [AS LONG AS THE LOAN IS OUTSTANDING]; or

18 (B) 100 percent of the principal amount of the loan is guaranteed by the
19 United States or an agency or instrumentality of the United States;

20 (8) must be

21 (A) financed from the proceeds of bonds; or

22 (B) expected by the authority to be financed from the proceeds of bonds.

23 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).