

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

HB 596

HB 596

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 596  
Title Homesite habitable dwelling loan guarantees  
Requested by House Resources Committee Date 5/28/81

II. FISCAL DETAIL

Agency Affected Department of Revenue  
Program Category Affected Revenue Collection and Management  
BRU, Program, or Subprogram(s) Affected Treasury Management  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		37.6				
200 TRAVEL						
300 CONTRACTUAL		5.0				
400 COMMODITIES						
500 EQUIPMENT		3.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		45.6				

FUNDING (Thousands of Dollars)

GENERAL FUND		45.6				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Establishes a homesite habitable dwelling loan guarantee account. Administered by commissioner of revenue. Financial institutions (Alaska banks and savings & loans) make the loan; state guarantee's repayment from account assets.

Monies for guarantee account to be appropriated separately.

Above costs for Loan Examiner II, Range 17 to review loan packages sent by Alaska financial institutions for guarantees. Equipment for new position. Contractual expenditures for related legal, regulation, advertising costs, etc.

*Anselm C. Staack*

IV. DATE June 1, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller  
AGENCY Department of Revenue/Treasury Division  
Original: Legislative Finance PHONE 465-2351  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

Introduced: 5/28/81  
Referred: Resources and Finance

1 IN THE HOUSE

BY FREEMAN, ROGERS AND MOSS

2 HOUSE BILL NO. 596

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to homesite habitable dwelling loan  
7 guarantees; and providing for an effective date."

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

9 \* Section 1. AS 38.08 is amended by adding a new section to read:

10 ARTICLE 2. HOMESITE HABITABLE DWELLING LOAN GUARANTEE ACCOUNT.

11 Sec. 38.08.210. HOMESITE HABITABLE DWELLING LOAN GUARANTEE  
12 ACCOUNT. (a) The homesite habitable dwelling loan guarantee account  
13 is established as a separate account in the general fund. The account  
14 consists of money appropriated or assets transferred by the legislature  
15 to the account. The commissioner of revenue shall administer the  
16 account, and may enter into agreements with financial institutions in  
17 the state to use the assets of the account to guarantee loans made by  
18 financial institutions to borrowers entering homesites under this  
19 chapter.

20 (b) Before a guarantee is made under this section

21 (1) the financial institution making the loan shall deter-  
22 mine, to the satisfaction of the commissioner of revenue, that the  
23 borrower is able to repay the loan;

24 (2) the borrower shall provide a letter of intent signed by  
25 an authorized representative of the Department of Natural Resources  
26 which shows that title to the homesite will be transferred from the  
27 state to the borrower if the borrower fulfills the requirements of  
28 AS 38.08.060.

29 (c) A loan guaranteed under this section

1           (1) must be for the construction and purchase of a habitable,  
2 permanent, single-family dwelling which meets the requirements of  
3 AS 38.08.060(a)(2) and regulations adopted by the Department of Natural  
4 Resources relating to AS 38.08.060(a)(2);

5           (2) may not exceed the greater of

6                   (A) 90 percent of the appraised value of the dwelling  
7 being financed with guaranteed loan proceeds; or

8                   (B) an amount equal to the greater of the maximum  
9 principal amount of mortgage loans for single-family dwellings  
10 which may be purchased by the Alaska Housing Finance Corporation  
11 or the division of housing assistance in the Department of Com-  
12 munity and Regional Affairs;

13           (3) shall be in a form and contain terms and provisions  
14 satisfactory to the commissioner of revenue;

15           (4) shall be secured by collateral, including the borrower's  
16 homesite entry permit, evidenced by a mortgage or other security  
17 instrument, sufficient, as determined by the commissioner of revenue,  
18 to secure repayment of the loan;

19           (5) may not be for a term longer than 30 years, but the  
20 construction phase of the loan may not be longer than two years.

21           (d) During the construction phase of a loan guaranteed under this  
22 section, the guarantee extends only to the principal balance of the  
23 loan. After the construction phase of the loan, the guarantee extends  
24 both to the principal balance and accrued interest on the loan.

25           (e) The commissioner of revenue may not guarantee a loan under  
26 this section if the balance of the homesite habitable dwelling loan  
27 guarantee account is less than 10 percent of the total unpaid balance  
28 of outstanding loans guaranteed under this section.

29           (f) A guarantee made under this section extends to a successor of

1 a financial institution which makes the loan, including another finan-  
2 cial institution, the Alaska Housing Finance Corporation, or the divi-  
3 sion of housing assistance, Department of Community and Regional  
4 Affairs.

5 (g) A loan guarantee made under this section terminates when the  
6 loan is repaid or when the borrower receives his patent to the homesite  
7 property under AS 38.08.060, whichever occurs first.

8 (h) The commissioner of revenue may adopt regulations in accor-  
9 dance with the Administrative Procedure Act (AS 44.62) to implement  
10 this section.

11 (i) In this section

12 (1) "account" means the homesite habitable dwelling loan  
13 guarantee account;

14 (2) "construction phase" means the period of time during  
15 which a homesite habitable dwelling is under construction;

16 (3) "financial institution" means a bank, savings and loan  
17 association, or credit union authorized to do business in the state.

18 \* Sec. 2. AS 18.56.090 is amended by adding a new paragraph to read:

19 (28) purchase loans guaranteed under AS 38.08.210.

20 \* Sec. 3. AS 44.47 is amended by adding a new section to read:

21 Sec. 44.47.515. HOMESITE HABITABLE DWELLING LOANS. Notwithstand-  
22 ing the provisions of AS 44.47.380 - 44.47.510 the director may use  
23 money in the nonconforming housing loan fund to purchase or participate  
24 in the purchasing of loans guaranteed under AS 38.08.210.

25 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
26 070(c).



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12-1812

Introduced: 5/28/81  
Referred: Resources and Finance

1 IN THE HOUSE

BY FREEMAN, ROGERS AND MOSS

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26 070(c).

ALASKA STATE LEGISLATURE

TWELFTH... Legislature FIRST... Session

HOUSE BILL..... NO. ...596  
By ...FREEMAN, ROGERS AND MOSS

"An Act relating to homesite habitable dwelling loan guarantees; and providing for an effective date."

Homesite dwelling loan guarantees

Introduced in the House ...5/28, 19...81

HISTORY IN THE HOUSE

19 81	Read first time and referred to Committee on <b>Resources and Finance</b>												
May 28	Reported back with recommendation that												
	Read second time and												
	Read third time and												
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	Reported correctly engrossed Signed by Speaker Sent to Senate												

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Read first time and referred to Committee on												
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SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor  ..... by Governor
	Filed with Lt. Governor
	Chapter No. ....