

1-14-82

NAACP

AIDA

AHFC



ALASKA INDUSTRIAL DEVELOPMENT AUTHORITY

---

February 28, 1982

The Honorable Terry Martin  
Chairman  
House Labor and Commerce Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

RE: House Resolution No. 17

Dear Representative Martin:


Regarding the above-referred resolution, AIDA as a secondary investor has no information in its files concerning race or national origin of the borrowers. We refer you to the Federal Reserve System Equal Credit Opportunity Regulation B, Section 202.5(d)(5) which states:

"A creditor shall not request the race, color, religion, or national origin of an applicant or any other person in connection with a credit transaction. A creditor may inquire, however, as to an applicant's permanent residence and immigration status."

Additionally, our records would not reflect the applications that are declined at the originating lender level and, therefore, never even come to our office for consideration.

For these reasons, we are making no fiscal note request for appropriation at this time. If we can further assist you in this matter, please advise.

Sincerely,

  
H.A. Hoffman  
Executive Director

HAH:ZJ:ty

ENC: ECOA Reg. B, Section 202.5 (d)

listing or otherwise, to applicants or prospective applicants that would discourage on a prohibited basis a reasonable person from making or pursuing an application.

(b) **General rules concerning requests for information.** (1) Except as otherwise provided in this section, a creditor may request any information in connection with an application.<sup>4</sup>

(2) Notwithstanding any other provision of this section, a creditor shall request an applicant's race/national origin, sex, and marital status as required in section 202.13 (information for monitoring purposes). In addition, a creditor may obtain such information as may be required by a regulation, order, or agreement issued by, or entered into with, a court or an enforcement agency (including the Attorney General or a similar State official) to monitor or enforce compliance with the Act, this Part, or other Federal or State statute or regulation.

(3) The provisions of this section limiting permissible information requests are subject to the provisions of section 202.7(e) regarding insurance and sections 202.8(c) and (d) regarding special purpose credit programs.

(c) **Information about a spouse or former spouse.** (1) Except as permitted in this subsection, a creditor may not request any information concerning the spouse or former spouse of an applicant.

(2) A creditor may request any information concerning an applicant's spouse (or former spouse under (v) below) that may be requested about the applicant if:

(i) the spouse will be permitted to use the account; or

(ii) the spouse will be contractually liable upon the account; or

(iii) the applicant is relying on the spouse's income as a basis for repayment of the credit requested; or

(iv) the applicant resides in a community property State or property upon which the applicant is relying as a basis for repayment of the credit requested is located in such a State; or

(v) the applicant is relying on alimony, child support, or separate maintenance payments from a spouse or former spouse as a basis for repayment of the credit requested.

(3) A creditor may request an applicant to list any account upon which the applicant is liable and to provide the name and address in which such account is carried. A creditor may also ask the names in which an applicant has previously received credit.

(d) **Information a creditor may not request.** (1) If an applicant applies for an individual, unsecured account, a creditor shall not request the applicant's marital status, unless the applicant resides in a community property State or property upon which the applicant is relying as a basis for repayment of the credit requested is located in such a State.<sup>5</sup> Where an application is for other than individual, unsecured credit, a creditor may request an applicant's marital status. Only the terms "married," "unmarried," and "separated" shall be used, and a creditor may explain that the category "unmarried" includes single, divorced, and widowed persons.

(2) A creditor shall not inquire whether any income stated in an application is derived from alimony, child support or separate maintenance payments, unless the creditor appropriately discloses to the applicant that such income need not be revealed if the applicant does not desire the creditor to consider such income in determining the applicant's creditworthiness. Since a general inquiry about income, without further specification, may lead an applicant to list alimony, child support, or separate maintenance payments, a creditor shall provide an appropriate notice to an applicant before inquiring about the source of an applicant's income, unless the terms of the inquiry (such as an inquiry about salary, wages, investment income, or similarly specified income) tend to preclude the unintentional disclosure of ali-

<sup>4</sup> This subsection is not intended to limit or abrogate any Federal or State law regarding privacy, privileged information, credit reporting limitations, or similar restrictions on obtainable information. Furthermore, permission to request information should not be confused with how it may be utilized, which is governed by section 202.6 (rules concerning evaluation of applications).

<sup>5</sup> This provision does not preclude requesting relevant information that may indirectly disclose marital status, such as asking about liability to pay alimony, child support, or separate maintenance; the source of income to be used as a basis for the repayment of the credit requested, which may disclose that it is a spouse's income; whether any obligation disclosed by the applicant has a co-obligor, which may disclose that the co-obligor is a spouse or former spouse; or the ownership of assets, which may disclose the interest of a spouse, when such assets are relied upon in extending the credit. Such inquiries are allowed by the general rule of subsection (b)(1).

mony, child support, or separate maintenance payments.

(3) A creditor shall not request the sex of an applicant. An applicant may be requested to designate a title on an application form (such as Ms., Miss, Mr., or Mrs.) if the form appropriately discloses that the designation of such a title is optional. An application form shall otherwise use only terms that are neutral as to sex.

(4) A creditor shall not request information about birth control practices, intentions concerning the bearing or rearing of children, or capability to bear children. This does not preclude a creditor from inquiring about the number and ages of an applicant's dependents or about dependent-related financial obligations or expenditures, provided such information is requested without regard to sex, marital status, or any other prohibited basis.

(5) A creditor shall not request the race, color, religion, or national origin of an applicant or any other person in connection with a credit transaction. A creditor may inquire, however, as to an applicant's permanent residence and immigration status.

(e) **Application forms.** A creditor need not use written applications. If a creditor chooses to use written forms, it may design its own,<sup>7</sup> use forms prepared by another person, or use the appropriate model application forms contained in Appendix B. If a creditor chooses to use an Appendix B form, it may change the form:

(1) by asking for additional information not prohibited by this section;

(2) by deleting any information request; or

(3) by rearranging the format without modifying the substance of the inquiries; provided that in each of these three instances the appropriate notices regarding the optional nature of courtesy titles, the option to disclose alimony, child support, or separate maintenance, and the limitation concerning marital status inquiries are included in the appropriate places if the items to which they relate appear on the creditor's form. If a creditor uses an appropriate Appendix B model form or to the extent that it modifies such a form

<sup>7</sup> A creditor also may continue to use any application form that complies with the requirements of the October 28, 1975 version of Regulation B until its present stock of those forms is exhausted or until March 23, 1978, whichever occurs first. The provisions of this Part shall not determine and are not evidence of the meaning of the requirements of the previous version of Regulation B.

in accordance with the provisions of clauses (2) or (3) of the preceding sentence or the instructions to Appendix B, that creditor shall be deemed to be acting in compliance with the provisions of subsections (c) and (d).

## SECTION 202.6—RULES CONCERNING EVALUATION OF APPLICATIONS

(a) **General rule concerning use of information.** Except as otherwise provided in the Act and this Part, a creditor may consider in evaluating an application any information that the creditor obtains, so long as the information is not used to discriminate against an applicant on a prohibited basis.<sup>7</sup>

(b) **Specific rules concerning use of information.** (1) Except as provided in the Act and this Part, a creditor shall not take a prohibited basis into account in any system of evaluating the creditworthiness of applicants.<sup>b</sup>

(2)(i) Except as permitted in this subsection, a creditor shall not take into account an applicant's age (provided that the applicant has the capacity to enter into a binding contract) or whether an applicant's income derives from any public assistance program.

(ii) In a demonstrably and statistically sound, empirically derived credit system, a creditor may use an applicant's age as a predictive variable, provided that the age of an elderly applicant is not assigned a negative factor or value.

(iii) In a judgmental system of evaluating creditworthiness, a creditor may consider an applicant's age or whether an applicant's income derives from any public assistance program only

<sup>7</sup> The legislative history of the Act indicates that the Congress intended an "effects test" concept, as outlined in the employment field by the Supreme Court in the cases of *Griggs v. Duke Power Co.*, 401 U.S. 424 (1971), and *Albemarle Paper Co. v. Moody*, 422 U.S. 405 (1975), to be applicable to a creditor's determination of creditworthiness. See Senate Report to accompany H.R. 6516, No. 94-589, pp. 4-5; House Report to accompany H.R. 6516, No. 94-210, p. 5.

<sup>b</sup> This provision does not prevent a creditor from considering the marital status of an applicant or the source of an applicant's income for the purpose of ascertaining the creditor's rights and remedies applicable to the particular extension of credit and not to discriminate in a determination of creditworthiness. Furthermore, a prohibited basis may be considered in accordance with section 202.8 (special purpose credit programs).

HOUSE LABOR & COMMERCE  
 STANDING COMMITTEE  
 January 14, 1982  
 1:10 p.m.

Members Present: Rep. Martin, Chairman  
 Rep. Bylsma  
 Rep. Gardiner  
 Rep. Randolph

Members Absent: Rep. Rogers

COMMITTEE CALENDAR

Teleconference to consider possible minority discrimination in  
 the financial community.

WITNESS REGISTER

Senator Arliss Sturgulewski  
 Alaska State Senate  
 Pouch V  
 Juneau, Alaska 99811  
 465-3818  
 Position Statement: Sat in on committee hearing.

Louis Overstreet  
 Minority Business Assistance Center  
 street address not given  
 Anchorage, Alaska  
 phone not given  
 Position Statement: Spoke of problems minorities have getting  
 funds.

Tom Stoner  
 self  
 4543 Lake Otis Pkwy., #112  
 Anchorage, Alaska  
 277-5882  
 Position Statement: Outlined his grievances with AHFC.

G.A. "Buzz" Hoffman  
 Alaska Industrial Development Authority  
 1577 C Street  
 Anchorage, Alaska  
 274-1651  
 Position Statement: Gave background on AIDA programs and  
 minority statistics.

Harry F. Goldbar  
 Alaska Housing Finance Corporation  
 235 East 8th

Anchorage, Alaska  
276-5599

Position Statement: Spoke about equal credit opportunity act and record-keeping.

Ed Wesley

National Association for the Advancement of Colored People (NAACP)  
PO Box 405  
Anchorage, Alaska 99510  
274-4319

Position Statement: Gave brief history of need for this teleconference meeting.

Willie Ratcliff

Alaska Minority Task Force  
835 Nelchina Avenue  
Anchorage, Alaska  
277-3733

Position Statement: Gave his position about funds being made available to black community.

Mary Afcan

NAACP Economic Development Committee  
PO Box 405  
Anchorage, Alaska 99510  
274-4319

Position Statement: Spoke about AHFC and AIDA lending practices.

Future Rice

small businesswoman  
325 West 6th Avenue  
Anchorage, Alaska  
276-1793

Position Statement: Spoke of her frustration.

Dean DeClain

no affiliation given  
address not given  
Anchorage, Alaska  
phone not given

Position Statement: Gave his views of use of minority statistics by lending institutions.

Phillip Pleasant

no affiliation given  
address not given  
Anchorage, Alaska  
phone not given

Position Statement: Commented on worsening situation for blacks.

Willis Kirkpatrick, Executive Director  
Division of Banking & Securities  
Pouch D  
Juneau, Alaska 99811

no phone given

Position Statement: Outlined function of division and explained system for bringing complaints.

Samuel Banks

NAACP

1679 23rd Avenue

Fairbanks, Alaska 99701

452-5614

Position Statement: Spoke of wanting a place in the "gap".

Barry Best

no affiliation given

no address given

Fairbanks, Alaska

no phone given

Position Statement: Asked to have legislation introduced to fund study of minorities' problems in financial community.

Pete W. Aiken

small businessman

1085 Steese Highway

Fairbanks, Alaska 99701

456-7523

Position Statement: Gave specifics of problems borrowing money from Alaska State Bank.

Adelheid Herrmann

Bering Sea Fisherman's Association

no address given

Dillingham, Alaska

no phone given

Position Statement: Went over difficulties with the Fisherman's Mortgage Note program.

Phil Moreno

self

General Delivery

Sitka, Alaska 99835

747-6720

Position Statement: Spoke of difficulty of obtaining housing loans.

Bill Morran, President

Alaska Bankers Association

no address given

Ketchikan, Alaska

no phone given

Position Statement: Spoke of recognizing the potential for discrimination and federal efforts to avoid this.

Jeff Senate, Development Coordinator  
 City of Saxman  
 no address given  
 Saxman, Alaska (through Ketchikan LTN)  
 no phone given  
 Position Statement: Suggestions for various programs.

Nora DeWitt, Clerk  
 City of Saxman  
 no address given  
 Saxman, Alaska  
 no phone given  
 Position Statement: Spoke of housing problems.

Mathilda Kushnik  
 self  
 no address given  
 Ketchikan, Alaska  
 no phone given  
 Position Statement: Commented on constitutional rights.

PREVIOUS ACTION

Not applicable.

ACTION NARRATIVE

Tape #001-002  
 Recording  
 Number 1238

The meeting was called to order by Chairman Martin at 1:10 p.m. The committee schedule called for the consideration of possible minority discrimination in the financial community. No bills were before the committee; the purpose of the hearing was to encourage "clearing the air" between representatives of financial institutions and minorities.

Number 1273

ED WESLEY, of NAACP in Anchorage, gave a brief history of the need for this meeting.

Number 1294

HARRY GOLDBAR, of AHFC in Anchorage, spoke about equal credit opportunity act; notification of adverse action and maintenance of records; and the federal home mortgage disclosure act. Senator Sturgulewski questioned him about the disclosure act and EEO act.

Number 1348

BULZ HOFFMAN, of AIDA in Anchorage, gave background on AIDA programs and how meetings

are noticed and held. He gave statistics on minority employment within AIDA. He gave an overview of authority and dispersal of funds. Senator Sturgulewski commended public outreach efforts of the program. Hoffman promised a breakdown of last year's loan activity would be provided to the legislature.

Number 1390

BILL MORRAN, president of the Alaska Bankers Association, Ketchikan, spoke of recognizing the potential for discrimination and federal efforts to avoid this. He outlined compliance with regulations and recourse of individuals who feel they are discriminated against.

Number 1427

WILLIS KIRKPATRICK, Executive Director of the State Division of Banking and Securities, outlined the function of his division, and explained the system for bringing complaints. He told what is looked for in joint examinations, and went over new FDIC program on discrimination. Chairman Martin asked who to contact with complaints, and Kirkpatrick gave this information, adding that complaints need to be expressed in writing.

Number 1525

ADELHEID HERMANN, representing the Bering Sea Fisherman's Association, Dillingham, went over difficulties with the Fisherman's Mortgage Note program. She noted that the cost of entry into the market is too high.

Number 1563

LOUIS OVERSTREET of the Alaska Minority Business Assistance Center in Anchorage spoke of problems minorities have getting funds. Senator Sturgulewski said she had attended an NAACP meeting wherein these problems had been discussed; she said that several agencies she had contacted had pointed out the need for specific information in order to deal with accusations of discrimination.

Number 1598

ED WESLEY, of NAACP in Anchorage, spoke again to express his concern that lending agencies don't have data to prove they are not discriminating against minorities. He felt these institutions were discriminating, de facto. He said the system doesn't work, and that the State has a poor affirmative action program. Chairman Martin asked if a

voluntary effort by the black community in listing their race on loan forms could help provide data. Wesley said the burden should not have to be put on individual citizens when legislators have been informed of the problem.

Number 1639

J.P. JONES, President, NAACP, Fairbanks, illustrated minority problems by describing difficulty in finding out from lending institutions precisely what information they needed to determine award of loans. He said the Governor had been requested to investigate whether discrimination existed, and that the Governor had found no cases of discrimination. Jones outlined recourse according to federal regulations.

Number 1665

PETE AIKENS, a Fairbanks small businessman, claimed that most state loan officers were former bank officers. He gave specifics of his problems borrowing money from Alaska State Bank, saying it took over a year for him to get a loan. Chairman Martin asked, and Aikens responded to, questions about loan procedures and complaint follow-through.

Number 1714

PHIL MORENO of Sitka said he found it hard to obtain housing loans.

Number 1743

WILLIE RATCLIFF of the Alaska Minority Business Task Force, as well as candidate for State Senate, Anchorage, felt a portion of banks' loan funds should be allocated to the black community. Chairman Martin asked the possibility of the black community drawing up a plan they feel is fair addressing legislative funds. Ratcliff said the resources were not available for such a task, and that it was not their responsibility.

Number 1823

MARY AFCAN, Economic Development Committee, NAACP, Anchorage, said that in the first month of AHFC lending, no home loans were made to blacks. She said that when AHFC found out that the bond market was concerned about bonds susceptible to attack, AHFC attitude changed, which change was communicated to the private market. AIDA is staffed by former bankers. She claimed attempts were made to take property away from blacks in order to ruin their economic

stability. Chairman Martin commented on this.

- Number 089, Tape 2 SAMUEL BANKS of NAACP in Fairbanks spoke of wanting a place in the "gap".
- Number 0165 BARRY BEST, Fairbanks, wants legislation introduced funding a study of minorities' problems in the financial community.
- Number 0179 JEFF SENATE, development coordinator for the City of Saxman, suggested a look at national participants' programs to develop citizens participations rights policy for the state. He made suggestions for community development programs, loan programs, and local housing authority.
- Number 0310 NORA DEWITT, Clerk for the City of Saxman, noted their community has a large native population. She said the area is losing a large part of their youth population due to lack of housing. She said the community is being denied funds because of a road to Ketchikan.
- Number 0358 FUTURE RICE, a small businesswoman from Anchorage, said she felt frustrated, and did not think Wesley responded to the problem, but instead addressed procedures.
- Number 0396 TOM STONER, Anchorage, outlined his grievances with AHFC.
- Number 0476 DEAN DECLOIN of Anchorage commented on agencies with the potential to provide information who don't do so. He said agencies should be required to collect and use minority information. He expressed support of lending programs.
- Number 0585 PHILLIP PLEASANT, Anchorage, commented on the worsening situation for blacks.
- Number 0610 MATHILDA KUSHNIK, Ketchikan, commented on constitutional rights.
- Number 0655 BUZZ HOFFMAN, AIDA, Anchor ge, once again outlined his agency's outreach programs.
- Number 0687 HARRY GOLDBAR, AHFC, Anchorage, spoke regarding statistics on loan applicants.
- Number 0725 There being no further testimony, and no

further items to come before the committee at this time, Chairman Martin adjourned the meeting at 3:23 p.m.

!mHLC!  
January 14, 1982  
1:10 p.m.

!mMP1!xRep. Martin, Chairman  
!mMP2!xRep. Bylsma  
!mMP2!xRep. Gardiner  
!mMP2!xRep. Randolph

!mMA1!xRep. Rogers

!mCAL!  
Teleconference to consider possible minority discrimination in the  
financial community.

!mREG!  
!mWI!xSenator Arliss Sturgulewski  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811  
465-3818

!mPS!xSat in on committee hearing.

!mWI!xWalt Furnace  
Alaska Business Development Center

street address not given  
Anchorage, Alaska  
phone not given  
!mPS!xDid not testify

!mWI!xLouis Overstreet  
Minority Business Assistance Center  
street address not given  
Anchorage, Alaska  
phone not given  
!mPS!xSpoke of problems minorities have getting funds.

!mWI!xTom Stoner  
self  
4543 Lake Otis Pkwy., #112  
Anchorage, Alaska  
277-5882  
!mPS!xOutlined his grievances with AHFC.

!mWI!xG.A. "Buzz" Hoffman  
Alaska Industrial Development Authority  
1577 C Street  
Anchorage, Alaska  
274-1651  
!mPS!xGave background on AIDA programs and minority statistics.

!mWI!xHarry F. Goldbar  
Alaska Housing Finance Corporation  
235 East 8th  
Anchorage, Alaska  
276-5599  
!mPS!xSpoke about equal credit opportunity act and record-keeping.

!mWI!xLeRoy Roth  
Alaska Housing Finance Corporation  
235 East 8th  
Anchorage, Alaska  
276-5599  
!mPS!xDid not testify.

!mWI!xEd Wesley  
National Association for the Advancement of Colored People (NAACP)  
PO Box 405  
Anchorage, Alaska 99510  
274-4319 of  
!mPS!xGave brief history for need for this teleconference meeting.

!mWI!xWillie Ratcliff  
Alaska Minority Task Force  
835 Nelchina Avenue  
Anchorage, Alaska  
277-3733

!mPS!xGave his position about funds being made available to black community.

!nWI!xMary Afcan  
NAACP Economic Development Committee  
PO Box 405  
Anchorage, Alaska 99510  
274-4319

!mPS!xSpoke about AHFC and AIDA lending practices.

!nWI!xWayne Williams  
Alaska Industrial Development Authority  
1577 C Street  
Anchorage, Alaska  
274-1651

!mPS!xDid not testify.

!nWI!xDon Divens  
self  
5710 Radcliffe Drive  
Anchorage, Alaska  
333-0401  
!mPS!xDid not testify.

!nWI!xLarry D. Card  
self

831 1/2 West 4th  
Anchorage, Alaska  
276-2777  
!mPS!xDid not testify.

!nWI!xLinton L. Hawkins  
828 East 13th Street  
Anchorage, Alaska 99501  
279-2251  
!mPS!xDid not testify.

!nWI!xFuture Rice  
small businesswoman  
325 West 6th Avenue  
Anchorage, Alaska  
276-1793  
!mPS!xSpoke of her frustration.

!nWI!xAlton Malva  
self  
325 West 6th Avenue  
Anchorage, Alaska  
276-1793  
!mPS!xDid not testify.

!nWI!xDean DeClain

none given  
address not given  
Anchorage, Alaska  
phone not given

!mPS!xGave his views of use of minority statistics by lending institutions.

!mWI!xPhillip Pleasant  
none given  
address not given  
Anchorage, Alaska  
phone not given

!mPS!xCommented on worsening situation for blacks.

!mWI!xJulie Wroe  
206 N Franklin ← *affiliation*  
Juneau, Alaska 99801  
586-1300

!mPS!xDid not testify

!mWI!xDarral Ezee  
no affiliation given  
no address given  
Anchorage, Alaska  
no phone given  
!mPS!xDid not testify.

!mWI!xF. Watson  
no affiliation given  
no address given  
Anchorage, Alaska  
no phone given  
!mPS!xDid not testify

!mWI!xMurray Jones  
no affiliation given  
no address given  
Anchorage, Alaska  
no phone given  
!mPS!xDid not testify.

!mWI!xDan Golden  
no affiliation given  
no address given  
Anchorage, Alaska  
no phone given  
!mPS!xDid not testify.

!mWI!xJames Titus  
no affiliation given  
no address given  
Anchorage, Alaska  
no phone given

!mPS!xDid not testify.

!mWI!xFrank Austin  
no affiliation given  
no address given  
Anchorage, Alaska  
no phone given  
!mPS!xDid not testify.

!mWI!xChuck Ferrell  
no affiliation given  
no address given  
Anchorage, Alaska  
no phone given  
!mPS!xDid not testify.

!mWI!xKenneth Parker  
no affiliation given  
no address given  
Anchorage, Alaska  
no phone given  
!mPS!xDid not testify.

!mPS!xCharles Stinson  
no affiliation given

no phone given  
!mWI!xLiz Kirkpatrick, Executive Director  
Division of Banking & Securities  
Pouch D  
Juneau, Alaska 99811  
no phone given

!mPS!xOutlined function of division and explained system for bringing complaints.

!mWI!xTom Lunk  
Division of Banking & Securities  
Pouch D  
Juneau, Alaska 99811  
465-2521  
!mPS!xDid not testify.

!mWI!xCharlene Ortiz  
Senator Stimson  
Pouch V  
Juneau, Alaska 99811  
465-3713  
!mPS!xDid not testify.

Representative Gardiner  
Pouch V  
Juneau, Alaska 99811  
465-4944  
!mPS!xDid not testify.

!mWI!xCarl Nelson  
House Banking Committee  
Pouch V  
Juneau, Alaska 99811  
465-4937  
!mPS!xDid not testify.

!mWI!xLee Coffman  
AIDA  
311 N Franklin Street  
Juneau, Alaska 99801  
586-1015  
!mPS!xDid not testify.

Karen Perdue  
Lieutenant Governor  
2731 David Street  
Juneau, Alaska 99801  
465-3520

!mPS!xDid not testify.

!mWI!xLois Cook  
Commerce & Economic Development  
Pouch D  
Juneau, Alaska 99811  
465-2505  
!mPS!xDid not testify.

!mWI!xEd Eboch  
Commerce & Economic Development  
Pouch D  
Juneau, Alaska 99811  
465-2500  
!mPS!xDid not testify.

!mWI!xCarolyn Covington  
Matanuska Valley Federal Credit Union  
SRD Box 9340  
Palmer, Alaska 99645  
745-3365  
!mPS!xDid not testify.

!mWI!xDona Corey  
none given  
SRB Box 7364

Fairbanks, Alaska 99701

745-4614

!mPS!xDid not testify.

!mWI!xLinda Foster

Valley Women's Resource Center

General Delivery

Wasilla, Alaska 99687

376-4080

!mPS!xDid not testify.

!mWI!xSamuel Banks

NAACP

1679 23rd Avenue

Fairbanks, Alaska 99701

452-5614

!mPS!xSpoke of wanting a place in the "gap".

!mWI!xCathi Carr-Lundfelt

State Human Rights Commission

no address given

Fairbanks, Alaska

no phone given

!mPS!xDid not testify.

!mWI!xBarry Best

no affiliation given

no address given

Fairbanks, Alaska

no phone given

!mPS!xAsked to have legislation introduced to fund study of minorities' problems in financial community.

!mWI!xPete W. Aiken

small businessman

1085 Steese Highway

Fairbanks, Alaska 99701

456-7523

!mPS!xGave specifics of problems borrowing money from Alaska State Bank.

!mWI!xJoe Marshall

no affiliation given

Box 2053

Fairbanks, Alaska 99707

452-6110

!mPS!xDid not testify.

!mWI!xClarence Thomas

no affiliation given

833 23rd Street

Fairbanks, Alaska 99701

452-1380

!mPS!xDid not testify.

!mWI!xAdelheid Herrmann

Bering Sea Fisherman's Association

no address given

Dillingham, Alaska

no phone given

!mPS!xWent over difficulties with the Fisherman's Mortgage Note program.

!mWI!xMargaret Curry, Manager

Alaska Federal Savings & Loan

no address given

Sitka, Alaska

no phone given

!mPS!xDid not testify.

!mWI!xPhil Morenc

self

General Delivery

Sitka, Alaska 99835

747-6720

!mPS!xSpoke of difficulty of obtaining housing loans.

!mWI!xDorcas Maupin

self

Box 161

Barrow, Alaska

no phone given

!mPS!xDid not testify.

!mWI!xDixie Figgins

self

Box 650

Barrow, Alaska

no phone given

!mPS!xDid not testify.

!mWI!xLarry McDowell

United Bank of Alaska

PO Box 884

Bethel, Alaska 99559

no phone given

!mPS!xDid not testify.

!mWI!xPaul Knight

First National Bank of Anchorage

PO Box 286

Bethel, Alaska 99559

no phone given

!mPS!xDid not testify.

!mWI!xBill Morran, President

no address given

Ketchikan, Alaska

no phone given

!mPS!xSpoke of recognizing the potential for discrimination and federal efforts to avoid this.

!mWI!xJeff Senate, Development Coordinator

City of Saxman

no address given

Saxman, Alaska (through Ketchikan LTN)

no phone given

!mPS!xSuggestions for various programs.

!mWI!xNora DeWitt, Clerk

City of Saxman

no address given

Saxman, Alaska

no phone given

!mPS!xSpoke of housing problems.

Mathilda Kushnik

self

no address given

Ketchikan, Alaska

no phone given

!mPS!xCommented on constitutional rights.

!mPA!x

Not applicable.

!mEN x

Tape #001-002

Recording

!mPARI!x

Number 1238

The meeting was called to order by Chairman Martin at 1:10 p.m. The committee schedule called for the consideration of possible minority discrimination in the financial community. No bills were before the committee; the purpose of the hearing was to encourage "clearing the air" between representatives of financial institutions and minorities.

Number 1273

ED WESLEY, of NAACP in Anchorage, gave a brief history of the need for this meeting.

Number 1294

HARRY GOLDBAR, of AHFC in Anchorage, spoke about equal credit opportunity act; notification of adverse action and maintenance of records; and the federal home mortgage disclosure act. Senator Sturgulewski questioned him about the disclosure act and EEO act.

Number 1348

BUZZ HOFFMAN, of AIDA in Anchorage, gave background on AIDA programs and how meetings are noticed and held. He gave statistics on minority employment within AIDA. He gave an overview of authority and

dispersal of funds. Senator Sturgulewski commended public outreach efforts of the program. Hoffman promised a breakdown of last year's loan activity would be provided to the legislature.

Number 1390 BILL MORRAN, president of the Alaska Bankers Association, Ketchikan, spoke of recognizing the potential for discrimination and federal efforts to avoid this. He outlined compliance with regulations and recourse of individuals who feel they are discriminated against.

Number 1427 WILLIS KIRKPATRICK, Executive Director of the State Division of Banking and Securities, outlined the function of his division, and explained the system for bringing complaints. He told what is looked for in joint examinations, and went over new FDIC program on discrimination. Chairman Martin asked who to contact with complaints, and Kirkpatrick gave this information, adding that complaints need to be expressed on writing.

Number 1525 ADELHEID HEIMANN, representing the Bering Sea Fisherman's Association, Dillingham, went over difficulties with the Fisherman's Mortgage Note program. She noted that the cost of entry into the market is too high.

Number 1563 LOUIS OVERSTREET of the Alaska Minority Business Assistance Center in Anchorage spoke of problems minorities have getting funds. Senator Sturgulewski said she had attended an NAACP meeting wherein

these problems had been discussed; she said that several agencies she had contacted had pointed out the need for specific information in order to deal with accusations of discrimination.

Number 1598 ED WESLEY, of NAACP in Anchorage, spoke again to express his concern that lending agencies don't have data to prove they are not discriminating against minorities. He felt these institutions were discriminating, !mbus!x de facto!meus!x. He said the system doesn't work, and that the State has a poor affirmative action program. Chairman Martin asked if a voluntary effort by the black community in listing their race on loan forms could help provide data. Wesley said the burden should not have to be put on individual citizens when legislators have been informed of the problem.

Number 1639 J.P. JONES, President, NAACP, Fairbanks, illustrated minority problems by describing difficulty in finding out from lending institutions precisely what information they needed to determine award of loans. He said the Governor had been requested to investigate whether discrimination existed, and that the Governor had found no cases of discrimination. Jones outlined recourse according to federal regulations.

Number 1665 PETE AIKENS, a Fairbanks small businessman, claimed that most state loan officers were former bank officers. He gave specifics of his problems borrowing money from Alaska State Bank, saying it took over a year for him to get a loan. Chairman Martin asked, and Aikens responded to, questions about loan procedures and complaint follow-through.

Number 1719  
housing loans.

PHIL MORENO OF SITKA said he found it hard to obtain

Number 1743 WILLIE RATCLIFF of the Alaska Minority Business Task Force, as well as candidate for State Senate, Anchorage, felt a portion of banks' loan funds should be allocated to the black community. Chairman Martin asked the possibility of the black community drawing up a plan they feel is fair addressing legislative funds. Ratcliff said the resources were not available for such a task, and that it was not their responsibility.

Number 1823 MARY AFCAN, Economic Development Committee, NAACP, Anchorage, said that in the first month of AHFC lending, no home loans were made to blacks. She said that when AHFC found out that the bond market was concerned about bonds susceptible to attack, AHFC attitude changed, which change was communicated to the private market. AIDA is staffed by former bankers. She claimed attempts were made to take property away from blacks in order to ruin their economic stability. Chairman Martin commented on this.

Number 089, Tape 2 SAMUEL BANKS of NAACP in Fairbanks spoke of wanting a place in the "gap".

Number 0165 BARRY BESS, Fairbanks, wants legislation introduced funding a study of minorities' problems in the financial community.

Number 0179 JEFF SENATE, development coordinator for the City of Saxman, suggested a look at national participants' programs to develop citizens participations rights policy for the state. He made suggestions for community development programs, loan programs, and local housing authority.

Number 0310 NORA DEWITT, Clerk for the City of Saxman, noted their community has a large native population. She said the area is losing a large part of their youth population due to lack of housing. She said the community is being denied funds because of a road to Ketchikan.

Number 0358 FUTURE RICE, a small businesswoman from Anchorage, said she felt frustrated, and did not think Wesley responded to the problem, but instead addressed procedures.

Number 0396 TOM STONER, Anchorage, outlined his grievances with AHFC.

Number 0476 DEAN DECLOIN of Anchorage commented on agencies with the potential to provide information who don't do so. He said agencies should be required to collect and use minority information. He expressed support of lending programs.

Number 0585 PHILLIP PLEASANT, Anchorage, commented on the worsening situation for blacks.

Number 0610 MARIANA KOSHYK, Anchorage, commented on constitutional rights.

Number 0655 BUZZ HOFFMAN, AIDA, Anchorage, once again outlined his agency's outreach programs.

Number 0687 HARRY GOLDBAR, AHFC, Anchorage, spoke regarding statistics on loan applicants.

Number 0725 There being no further testimony, and no further items to come before the committee at this time, Chairman Martin adjourned the meeting at 3:23 p.m.

!mEND!x

COMMITTEE MINUTES

COMMITTEE: House Labor & Commerce

HEARING DATE: January 14, 1982

TAPE NO. 1 and 2, sides A

The meeting was called to order by Chairman Martin at 1:10 pm in the House Labor & Commerce committee room, Behrends Building, Juneau, Alaska. Committee members present in addition to the Chairman were Representatives Bylsma, Randolph, and Gardiner. Representative Rogers was absent. Committee staff in attendance were Jeff Barry, Mary Isaacs, and Joan Mathews. Also attending was Senator Arliss Sturgulewski; both she and Representative Randolph left approximately one-half hour into the teleconferenced meeting. Meeting was teleconferenced statewide.

The committee schedule called for the consideration of possible minority discrimination in the financial community. No bills were before the committee; purpose of the hearing was to encourage "clearing the air" between representatives of financial institutions and minorities.

First to testify was Ed Wesley, of NAACP in Anchorage (meter no. 1273). He gave a brief history of the need for this meeting.

Harry Goldbar of Anchorage (meter no. 1294) spoke about equal credit opportunity act; notification of adverse action (meter no. 1322) and maintenance of records; and the federal home mortgage disclosure act (meter no. 1327). Senator Sturgulewski questioned him (meter no. 1337) about the disclosure act and EEO act.

Buzz Hoffman of AIDA in Anchorage (meter no. 1348) gave background on AIDA programs and how meetings are noticed and held. He gave statistics (meter no. 1359) on minority employment within AIDA. He gave an overview (meter no. 1369) of authority and dispersal of funds. Senator Sturgulewski (meter no. 1374) commended public outreach efforts of the program. Mr. Hoffman (meter no. 1383) promised a breakdown about last year's loan activity would be provided to the legislature.

Bill Morran of Ketchikan, president of the Alaska Bankers Association (meter no. 1390) spoke of recognizing the potential for discrimination and federal efforts to avoid this. He outlined (meter no. 1405) compliance with regulations, and (meter no. 1409) recourse of individuals who feel they are discriminated against.

Willis Kirkpatrick, Executive Director of the State Division of Banking and Securities (meter no. 1427), outlined the function of his division, and explained the system for bringing complaints. He told (meter no. 1486) what is looked for in joint examinations, and went over (meter no. 1492) new FDIC program on discrimination. Chairman Martin (meter no. 1503) asked who to contact with complaints, and Kirkpatrick gave his information, adding (meter no. 1513) the complaints need to be expressed in writing.

House Labor & Commerce  
Committee Minutes  
Hearing of 1/14/82

Adelheid Herman of Dillingham, representing Bering Sea Fisherman's Association, (meter no. 1525) went over difficulties with the Fisherman's Mortgage Note program. She noted that the cost of entry into the market is too high.

Louis Overstreet of the Alaska Minority Business Assistance Center in Anchorage (meter no. 1563), spoke of problems minorities have getting funds. Senator Sturgulewski (meter no. 1584) said she had attended an NAACP meeting wherein these problems had been discussed; said that several agencies she had contacted had pointed out the need for specific information in order to deal with accusations of discrimination.

Ed Wesley of NAACP in Anchorage (meter no. 1598) spoke again to express his concern that lending agencies don't have data to prove they are not discriminating against minorities. He felt these institutions were discriminating, de facto. He said the system doesn't work, and that the State has a poor affirmative action program. Chairman Martin (meter no. 1621) asked if a voluntary effort by the black community in listing their race on loan forms could help provide data. Wesley (meter no. 1630) said the burden should not have to be put on individual citizens when legislators have been informed of the problem.

J.P. Jones, President of NAACP, Fairbanks (meter no. 1639), illustrated minority problems by describing difficulty in finding out from lending institutions precisely what information they needed to determine award of loans. He said the Governor had been requested to investigate whether discrimination existed, and that the Governor had found no cases of discrimination. Jones outlined recourse according to federal regulations (meter no. 1662).

Pete Aikens, a Fairbanks small businessman (meter no. 1665), claimed that most state loan officers were former bank officers. He gave specifics (meter no. 1680) of his problems borrowing money from Alaska State Bank, saying it took over a year for him to get a loan. Chairman Martin asked (meter no. 1698), and Aikens responded to (meter no. 1707), questions about loan procedures and complaint follow-through.

Phil Moreno of Sitka (meter no. 1714), said he found it hard to obtain housing loans.

Willie Radcliff of the Alaska Minority Business Task Force (meter no. 1743) as well as candidate for State Senate, Anchorage, felt a portion of banks' loan funds should be allocated to the black community. Chairman Martin (meter no. 1808) asked the possibility of the black community drawing up a plan they feel is fair addressing legislative funds. Radcliff (meter no. 1815) said the resources were not available for such a task, and that it was not their responsibility.

House Labor & Commerce  
Committee Minutes  
Hearing of 1/14/82

Mary Afcan of NAACP Economic Development, Anchorage (meter no. 1823), said that in the first month of AHFC lending, no home loans were made to blacks. She said that when AHFC found out that the bond market was concerned about bonds susceptible to attack, AHFC attitude changed, which change was communicated to the private market. AIDA is staffed by former bankers. She claimed (Tape 2, meter no. 056) attempts were made to take property away from blacks in order to ruin their economic stability. Chairman Martin (meter no. 083) commented on this.

Samuel Banks of NAACP in Fairbanks (meter no. 089) spoke of wanting a place in the "gap".

Barry Bess, Fairbanks (meter no. 165), wants legislation introduced funding study of minorities' problems in financial community.

Jeff Senate, development coordinator for the City of Saxman (meter no. 179), suggested look at national participants' programs to develop citizens participation rights policy for the state. He made suggestions for community development programs, loan programs, and local housing authority.

Nora DeWitt, Clerk for the City of Saxman (meter no. 310), noted their community has a large native population. She said the area is losing a large part of their youth population due to lack of housing. She said the community is being denied funds because of a road to Ketchikan.

Future Rice, a small businesswoman from Anchorage (meter no. 358), said she felt frustrated, and did not think Wesley responded to the problem, but instead addressed procedures.

Tom Stoner, Anchorage (meter no. 396), outlined his grievances with AHFC.

Dean DeClain of Anchorage (meter no. 476), commented on agencies with the potential to provide information who don't do so. He said (meter no. 524) agencies should be required to collect and use minority information. He expressed support of lending programs.

Phillip Pleasant, Anchorage (meter no. 585), commented on the worsening situation for blacks.

Mathilda Kushnik \_\_\_\_\_, Ketchikan, commented on constitutional rights (meter no. 610).

Buzz Hoffman, AIDA, Anchorage (meter no. 687), once again outlined his agency's outreach programs.

Harry Goldbar, Anchorage (meter no. 687), spoke regarding statistics on loan applicants.

House Labor & Commerce  
Committee Minutes  
Hearing of 1/14/82

There being no further testimony, and no further items to come before the committee at this time, Chairman Martin adjourned the meeting at 3:23 p.m.

MINUTES READ AND APPROVED:

Representative Terry Martin, Chairman



# MINORITY BUSINESS ASSISTANCE CENTER

BUSINESS OFFICE:  
836 E. 15th Ave., Suites 3 & 4  
Anchorage, Alaska 99501  
Phone: 907-274-3689/3680

MAILING ADDRESS:  
P.O. Box 3315  
Anchorage, Alaska 99510

January 28, 1982

Representative Terry Martin  
Chairperson  
Labor and Commerce Committee  
Pouch V  
Juneau, AK 99811

Senator Arliss Strugulewski  
Chairperson  
Legislative Budget and  
Audit Committee  
Pouch V  
Juneau, AK 99811

Dear Legislators

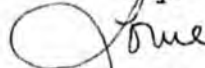
In follow up to our teleconference testimony regarding the precieved inequities in Alaska State Loan Programs and Commercial lending practices toward minorities, we have researched and will make available to our clients the "Equal Credit Opportunity" policy of several Anchorage banks.

These policies are taken directly from Federal requirements. Thus far we have not been able to ascertain the various entities levels of effort to address the perceptions that inequities exist. A part of the problem is one of communications, or the lack there of. As a legislator, you may choose to informally bring to the attention of state loan program administrators, bank officials and lending officers the need for increased sensitivity in this area.

While our primary charge is to provide technical (estimating, bidding) assistance our office is willing to provide any support they may be requested from the Alaska Business Development Center, whose primary charge is one of providing financial planning assistance in the preparation of loan request packages. Further we will continue to research the issue and advise our clients to request information on lending policies whenever they apply for loans.

We will keep you advised of further developments or responses as they come to our office. If our office may be of further assistance to you on this issue, please do not hesitate to call.

Sincerely,



E. Louis Overstreet

KTW

cc: Walt Furnace, ABDC

# COMMITTEE TAPE LOG 1982

tape no. 7

committee: HOUSE LABOR & COMMERCE

date 1/14/82 to \_\_\_\_\_

bill numbers: 

--	--	--	--	--	--	--

other information: *Senator Arliss Sturgelewski attending first portion of meeting  
TELECONFERENCE re minority discrimination in financial community  
Rep. Rogers absent*

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
1/14/82	1238		START
1:10 pm	1240		Call to order by Chairman Martin
	<sup>73</sup> 1267		Ed Wesley, Anc - NAACP - background
	1294		Harry Goldbar, Anc - deferred to
	1300		
	1367		Arliss Sturgelewski - questions re acts
	1348		Buz Hoffman <del>Wesley</del> , Anc - AIDA
	1374		Sen Sturgelewski - commended publicity effort
	1390		Bill Moran, <sup>president</sup> AK. Bankers Institution (Ktn) - <sup>regulation</sup> compliance
	1427		Willis Kirkpatrick, Exec. Dir., <sup>state</sup> Div. of Banking & Securities - <sup>function</sup> of <sup>division</sup>
	1457 - 1476		problems w/teleconf. system; Kirkpatrick <sup>resumed</sup> <del>proceeded</del> testimony
	1503		Ch. Martin - who shd one express complaint to?
	1505		Kirkpatrick - response
	1525		Adelheid Hermann, Dillingham - Bering Sea Fisherman's ASSOC. - re Fishermen's Mortgage Note Program
	1557-1563		dead air
	1563		Louis Overstreet - <sup>AK. Minority</sup> business Assistance Ctr - <sup>minority</sup> problems
	1584		Sen. Sturgelewski - need for specifics
	1598		Ed Wesley - clarify point that discrimination exists
	1621		Ch. Martin - response & questions
	1630		Wesley - response
	1639		J. P. Jones - Fairbanks Pete A Pres. NAACP - specific probs blacks have getting loans
	1665		Pete Aikens - small businessmen - difficulties getting loans
	1698 - 1707		Martin/Aikens Q & A
	1714		Phil Moreno, Sitka - housing problems
	1734		Mat-Su - no testimony

LABOR & COMMERCE COMMITTEE  
DAILY COMMITTEE HEARING

Date: 1/14/82

Place: L & C Committee Room

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	✓		12:57	3:23
Rep. D. Randolph	✓		1:30	2:
Rep. B. Rogers		✓		
Rep. T. Gardiner	✓		1:10	3:03
Rep. T. Martin, Chair	✓		12:50	3:23

Subject Matter: <sup>minority</sup> *discrimination in financial community*

House Bill No. \_\_\_\_\_

Senate Bill No. \_\_\_\_\_

Special Orders:

Good Morning to our Alaskans in the North  
and " Afternoon " " " " South A.K.

Present at Juneau for hearing are

The purpose for <sup>the</sup> hearing is to address  
the concerns expressed by minority members  
of our State in access and opportunity  
of participation in the economic ~~structure~~  
~~of~~ structure of Alaska.

I would like to begin with Mr.  
Edward Westley from Anchorage since he  
and the group he represents first  
brought to our attention the concerns  
we are all concerned about.

After Mr. Westley speaks  
I feel it best to have Goldbar &  
speak Mr. Williams speaks.

AHFC

Lo Roy ?

Loans have negative impact on minority  
course of past 5 yrs

Pace etc. is a voluntary input of those  
seed.

Home mortgage Disclosure Act.  
30 day notification of action on receipt  
of mortgage request if adverse.

Prepaid info

---

Hoffman - A.I.D.A.

must public

S.B.A.

15% black

20% Native

Fed. law prohibits asking

[Catel 22] volunteer info

---

Dir. Bill Morrison - Ket.

problems go to - Stat

465-2521

---

Dir. Randolph - Feb.

quickst means to express complaints.

---

Wesley - discrimination by defacto.

not having information available

Mr. J. P. Jones - 30 yrs - NAACP -

1) Blacks 4% of US population,

\* Mr. Willie Patchell - 30 yrs - 10 children?

Mary African

good suggestion & possible solution.

\* No conforming loans in rural areas -  
Rights to own a home, business, etc.  
Consumer advocate on boards of Banks.

Allocations to minority groups

challenge

Plan to meet the of -

Mary African - White person with NAACP.

AHFC no home loans to Blacks

\* Statistics - public information.

AIDA - most loan officers are former  
walk in another place.

\* empathy for other.

House loans are easier than business loans  
due to competition factor.

Ketchikan

1) over all systematic discrimination.

Sweetheart loans of S.B.A.

Willage Sacman discriminator by community

- You really cringing - so much in your concepts.
- 3) Neighborhood development programs and Corp.
  - 5) Community Stock Corp.

Nora DeWitt

---

Mrs. Futuro Pico - 2 days - small  
ASHF comments  
Admit there is a problem first?  
Meeting after meeting is no good  
↓ would

---

Tom Stoner - AHF

---

Secondary lenders should have ability  
to get necessary information from primary  
lenders to make  
Banks should be required to collect  
necessary information.

---

Ketchikan - Constitutional rights

---

Get his knowledge on solution  
Mrs Hoffman - AFDA -  
Regional Affairs - non-company  
laws

---

Mrs. Goldbar I do log, class

\* rando. project, location problem



# Alaska State Legislature

## House of Representatives

LABOR & COMMERCE COMMITTEE

Pouch V  
State Capitol  
Juneau, Alaska 99811  
465-3783/3784

Official Business

Contact: Joan Mathews  
Committee Secretary

January 8, 1982

FOR IMMEDIATE RELEASE

### MINORITIES TO AIR FRUSTRATION WITH LOAN PROGRAMS

Concerned minorities and women who feel they are being denied access to or participation in the economic community are invited to testify before the House Labor & Commerce Committee. A statewide teleconference will be held by the Committee on Thursday, January 14, at 2 PM Juneau time. Representatives of Alaska Housing Finance Corporation (AHFC), Alaska Industrial Development Authority (AIDA), banking institutions, and several minority groups will be present to testify.

Anchorage Republican Terry Martin, state representative for House District 8 will chair the hearing. Representative Martin participated in a meeting of the National Association for the Advancement of Colored People at Anchorage in mid-December, where members expressed concerns and grievances about not having equal access to the economic community in Alaska. Representative Martin stressed, "This hearing is aimed at clearing the air between minorities and financial institutions. No legislation has been introduced at this time. I intend for the Committee to act as a sounding board for those who have grievances to express." Martin's district includes the significant minority population in the Muldoon and Mountain View areas of Anchorage.

More...

Page two

Public participation is invited by the Committee. For more information, contact Labor & Commerce Chairman Terry Martin in Juneau at 465-3784, or call your Legislative Information Office at 465-4648.

People attending in Juneau:

Harry F. Goldbar, Executive Director, AHFC

H. A. Hoffman, Exec Dir, AIDA

↳ may send Wayne Williams, Deputy of Credit

Edward Wesley, President, NAACP

~~Franklin D. Washington~~

West Corner, banking institutions lobbyist

Anc:

William Radcliffe, Coordinator, Alaska Minority Business  
Task Force

# X & C Committee Hearing

1/14/82 1 pm juu  
11 am alaska

- ① Write PSA
  - ② Check w/ Ray re whether to do an actuality for radio stns
  - ③ release to papers, TV & radio statewide
- 

- ① check w/ Sturgelewski to see if she'll attend
- ② ck LAA to see when teleconf is scheduled; make sure participation is invited statewide
- ③ request participation of all minority groups who feel they are being denied access to a participation in the economic community.

call Deborah back & tell her names of any people who'll definitely be testifying

contacted ~~Bob~~ Sen. Sturgelewski's office (Betty) who said Sen. is out of town, but put the biz on her calendar. Call back & check Mon afternoon if no word.

The borrower must not own assets exceeding two times their maximum income figure. A borrower (or any one of the borrowers) who is 65 or over must not own assets exceeding three times their maximum income figure.

Owner-occupied single family residences, condominiums, and PUD's constitute eligible property. Mobile Homes and Duplexes are not permitted.

A.) Neither the sales price nor the appraised value of the home shall exceed \$80,000.

B.) The minimum down payment requirement is 5%.

C.) The maximum loan amount is \$76,000.

The maximum term of the loan is 30 years, with a minimum term of 20 years.

.....  
AHFC also offers a special rural housing program and a program for the financing of mobile homes. For further information on all AHFC programs, please contact your lender.

## Participating Lenders

Alaska Bank of Commerce  
Alaska Federal Savings & Loan Association  
Alaska Mutual Bank  
Alaska National Bank of the North  
Alaska Pacific Bank  
Alaska School Employees Federal Credit Union  
Alaska Statebank  
Alaska Teamsters Federal Credit Union  
Alaska USA Federal Credit Union  
AMFAC Mortgage Corporation  
Arctic First Federal Savings & Loan  
First Alaskan Mortgage and Escrow  
First Bank  
First Federal Savings & Loan  
First National Bank of Anchorage  
First National Bank of Fairbanks  
Home Federal Savings & Loan  
Lomas & Nettleton  
Mt. McKinley Mutual Savings Bank  
National Bank of Alaska  
Peninsula Savings & Loan Association  
Peoples Bank & Trust  
Rainier Mortgage Company  
Security National Bank  
Security Pacific Mortgage  
Spokane Mortgage  
The EM Behrends Bank  
United Bank Alaska



## Alaska Housing Finance Corporation

# HOME MORTGAGES

*HARRY F. GOLDBARK  
EXEC. DIR.*



Information contained in this pamphlet is subject to change — Consult your participating lender.

235 East 8th Avenue  
Anchorage, Alaska

P.O. Box 1020  
Anchorage, Alaska 99510

Telephone (907) 276-5599



**Considering home ownership?**

**Having difficulty qualifying for a mortgage?**

**PERHAPS AHFC CAN HELP!**

Alaska Housing Finance Corporation provides residential real estate financing to all areas of Alaska by operating as a secondary mortgage market for loans originated and serviced by private lending institutions. The commitment of AHFC is to provide a stable source of funding for credit-worthy, eligible borrowers at the lowest possible cost.

### **AHFC Mortgage Interest Rates**

AHFC's financing programs make it possible to provide mortgage interest rates at a level far below those generally available from other sources. Mortgage interest rates are based on the interest rate for AHFC bonds and other factors. Therefore, mortgage rates will change from time to time.

### **How To Find Out About AHFC Home Mortgages**

Ask any participating lender listed in this pamphlet for information.

### **How To Secure An AHFC Mortgage**

The lender will determine if you are eligible for home mortgage financing and if your income is sufficient to make the monthly mortgage payment. All mortgages are originated for AHFC by participating lenders; AHFC does not make direct mortgage loans.

Those loan requests that are to be insured or guaranteed by the FHA or VA require the approval of these federal agencies before submission to AHFC. The seller/servicer then submits the loan to AHFC for approval of property and credit.

## **Housing Eligible For Mortgage Financing**

AHFC finances only permanent mortgages on new or existing homes (single family or duplex). All housing financed must be owner-occupied.

### **Maximum Mortgage Amounts**

The maximum mortgage amount that AHFC will consider is the **LESSER** of the following:

- 1.) The amount listed below, or
- 2.) The amount the borrower(s) can afford, based on his/her income.

**Single Family Residence (Includes Condominium or Planned Unit Development):**

Conventional-Maximum loan of \$147,750 with maximum financing of 95%.

\*FHA-\$101,250 \*VA-\$110,000

\*Down payments required for FHA or VA loans vary. Check with your lender for details.

**Two Family Residence (Duplex):**

Conventional-Maximum loan of \$189,000 with maximum financing of 95%

\*FHA-VA down payments vary. Check with your lender for details.

Lenders are permitted to charge an "origination fee" to borrowers for program loans.

### **Loans To Refinance for Home Improvement**

The maximum loan on a single family residence (\$147,750) or two family residence (Duplex: \$189,000) cannot exceed the amount of the existing indebtedness plus the actual cost of improvement.

A cost budget plus a descriptive narrative of improvements must be submitted to the lender for prior approval by AHFC. The proposed improvements must increase the present value by not less than 10% or \$10,000.

The maximum Loan-To-Value Ratio is 80%, with a maximum loan term of thirty years.

### **Criteria For Graduated Payment Mortgages (Pledged Amount Mortgages)**

A "PAM" is a conventionally amortizing (level monthly payment) loan in which all or part of the purchaser's down payment funds are placed in a savings account

which is pledged to the lender as additional collateral and as a source of contributions toward the payments.

The maximum Loan-To-Value Ratio is 95%.

The "net mortgage amount" cannot at any time exceed 95% of the original value (the lesser of the purchase price or appraised value).

The total down payment of the borrower(s), including that portion placed in the pledged savings account, will be approximately 10%.

Eligible property includes single family residences, condominiums and PUD's. Duplexes are not permitted. Property must be owner-occupied.

All "PAM" loans will have private mortgage insurance if at anytime the net Loan-To-Value Ratio exceeds 80%.

Maximum Term of 30 years.

### **Loans With Special Assistance for Low and Moderate Income Buyers**

The Home Ownership Fund subsidizes a portion of the borrower's monthly mortgage payment. This subsidy will not be paid direct, but rather through the lender.

Payments may be subsidized by the Home Ownership Fund in an amount not to exceed the lesser of:

- 1.) The payment reduction which would occur if such loan were made at a rate of 6% interest, or
- 2.) A subsidy payment that shall reduce the mortgage loan payment of principal and interest to 20% of the mortgagor's adjusted gross income.

### **Eligibility For Home Ownership Fund**

Lower-to-moderate income borrowers are defined to be persons with gross income per family not exceeding the income limits set forth below:

Family Size	Income Limit
1	25,650
2	26,650
3	27,650
4	28,650
5	29,650
6	30,650
7	31,650
8 or more	32,650

Family for these purposes is considered to be those persons residing in a household on a year-round basis.

NAME OF PROGRAM

Alaska Housing Finance Corporation (AHFC)  
Rural Housing Mortgage Purchase Program

DEPARTMENT/DIVISION RESPONSIBLE

AHFC is both an independent public corporation and an instrumentality within the Department of Revenue

STATUTE REFERENCE

Developed In 1979

PURPOSE AND/OR CONDITIONS

Increase the housing available to communities with 4,500 or fewer inhabitants located outside areas with road or rail access to Anchorage and Fairbanks.

QUALIFIED USERS

Beneficiary must live in town or village of 4,500 or fewer, without access by road or rail to Anchorage or Fairbanks; dwelling, or one unit of duplex, must be occupied by its owner; no income limit for borrowers.

LOAN TERMS

see back

LENDING MECHANISM

see back

### Loan Terms

#### Single-family Dwelling:

MAXIMUM AMOUNT: \$147,750  
DOWN PAYMENT: 5%  
MAXIMUM TERM: 30 years  
INTEREST: 8.75%  
FEES: .5% commitment fee (refundable)

#### Owner-occupied Duplex:

MAXIMUM AMOUNT: \$189,000  
DOWN PAYMENT: 10%  
MAXIMUM TERM: 30 years  
INTEREST: 8.75%  
FEES: .5% commitment fee (refundable)

### Lending Mechanism

Because there are few banks available in rural areas, Regional Housing Authorities have been designated to act as intermediate lenders, originating and servicing the loans. AHFC buys the mortgages from the Regional Housing Authorities, which retain a .5% servicing fee in addition to the 1% origination fee.

NAME OF PROGRAM

Alaska Housing Finance Corporation (AHFC)  
Mobile Home Loan Purchase Program

DEPARTMENT/DIVISION RESPONSIBLE

AHFC is an independent public corporation and an instrumentality within the Department of Revenue

STATUTE REFERENCE

AS 18.56.090-098

PURPOSE AND/OR CONDITIONS

Provide low-cost financing for mobile homes in Alaska

QUALIFIED USERS

Eligible mobile homes may contain not less than 600 square feet of gross living area; no refinancing permitted; borrower must live in the mortgaged mobile home; no income limit for borrowers.

LOAN TERMS

MAXIMUM AMOUNT:	\$72,500
DOWN PAYMENT:	5%
MAXIMUM TERM:	20 years or remaining economic life of mobile home, whichever is less
INTEREST:	10% for nonveterans; 9% for eligible veterans
FEES:	.75% commitment fee (refundable) 1% servicing fee paid by AHFC

LENDING MECHANISM

secondary

NAME OF PROGRAM

Alaska Housing Finance Corporation (AHFC)  
Home Ownership Assistance Program

DEPARTMENT/DIVISION RESPONSIBLE

AHFC is an Independent public corporation and an Instrumentality within the Department of Revenue.

STATUTE REFERENCE

Funded first in 1980; began purchasing loans in Dec. 1980

PURPOSE AND/OR CONDITIONS

Provide mortgage subsidies to people of low and moderate income.

QUALIFIED USERS

Borrower must meet general eligibility requirements of AHFC Special Mortgage Loan Purchase Program (i.e., the mortgage dwelling, or one unit of a duplex, must be occupied by the borrower); must have a gross income of less than \$25,560, if single, and \$1,000 more than that for each additional family member, up to a total of seven; borrower may own assets totaling up to no more than two times his/her income limit under the program -- ceiling is raised for those over 65 to three times the income limit; mortgage must be conventional, no FHA-insured or VA guarantee loans are permitted.

LOAN TERMS

MAXIMUM AMOUNT:	\$76,000, for \$80,000 maximum home purchase price
PAYMENTS:	25% of monthly income, or payments computed at 5% interest rate, whichever is more.
DOWN PAYMENT:	5%
MAXIMUM TERM:	30 years or remaining economic life of the property, whichever is less.
MINIMUM INTEREST:	6%

LENDING MECHANISM - Secondary. AHFC pays difference between interest rate borrowers would normally pay to AHFC under Special Mortgage Loan Purchase Program and the lower interest rate.

NAME OF PROGRAM

Alaska Housing Finance Corporation (AHFC)  
Special Mortgage Loan Purchase Program

DEPARTMENT/DIVISION RESPONSIBLE

Alaska Housing Finance Corporation is both an independent public corporation and an instrumentality within the Department of Revenue

STATUTE REFERENCE

AS 18.56.010-210

PURPOSE AND/OR CONDITIONS

Assist in acquisition and development of land and in construction, rehabilitation, refinancing, management, maintenance, sale and rental of housing for people of lower and moderate income or for those in remote, underdeveloped or blighted areas. The Special Mortgage Loan Purchase Program is AHFC's principal financing program.

QUALIFIED USERS

The mortgage dwelling, or one unit of a duplex, must be occupied by the borrower. No limit on income of the borrower.

LOAN TERMS

See back.

LENDING MECHANISM

Secondary

NAME OF PROGRAM

Alaska Housing Finance Corporation  
Non-Owner-Occupied Rural Mortgage Purchase Program

DEPARTMENT/DIVISION RESPONSIBLE

AHFC is an independent public corporation and an instrumentality within the Department of Revenue

STATUTE REFERENCE

AS 18.56.100

PURPOSE AND/OR CONDITIONS

To insure a supply of rental housing in rural areas, through assistance in acquisition and development of land and the construction, rehabilitation, financing, management, maintenance, sale, and rental of dwelling units for people of lower and moderate income or people in remote, underdeveloped or blighted areas.

QUALIFIED USERS

Applicant must intend to use loan to construct or substantially rehabilitate rental housing of no more than eight units; mortgages are for use only in communities of 4,500 or fewer inhabitants, in areas not connected to Anchorage or Fairbanks by road or rail; borrower's debt to AHFC may not exceed \$500,000; no income limit for borrowers.

LOAN TERMS

MAXIMUM AMOUNT:	\$500,000, depends upon the number of units, at \$71,500 per unit (3-8) up to maximum amount.
DOWN PAYMENT:	5% for loans up to \$65,000. 10% for loans over \$65,000.
MAXIMUM TERM:	30 years.
INTEREST:	9.5%
FEES:	3/8 of 1% serving fee. .5% commitment fee (refundable) 1% origination fee

LENDING MECHANISM

Secondary

NAME OF PROGRAM

Alaska House Finance Corporation (AHFC)  
Pledged Account Mortgage Program

DEPARTMENT/DIVISION RESPONSIBLE

AHFC is an independent public corporation and an instrumentality within the Department of Revenue.

STATUTE REFERENCE

Developed in 1980

PURPOSE AND/OR CONDITIONS

To allow borrowers to make graduated mortgage payments, smaller in the earlier years of the mortgage and larger as time goes on.

QUALIFIED USERS

The mortgage dwelling, or one unit of a duplex, must be occupied by the borrower. No limit on income of borrower.

LOAN TERMS

Same as those offered under AHFC Special Mortgage Loan Purchase Program, except for repayment requirements.

SEE BACK

LENDING MECHANISM

Secondary

## Loan Terms

### Single-family dwelling (conventional loans)

MAXIMUM AMOUNT: \$147,750, or maximum borrower can afford to service, whichever is less.  
DOWN PAYMENT: 5%  
MAXIMUM TERM: 30 years  
INTEREST: 9% for veterans  
10% for nonveterans  
These rates apply only to the first \$90,000 of a mortgage; borrowers pay the bond market rate for any amount over \$90,000

### Single-family dwelling (FHA-insured loans)

MAXIMUM AMOUNT: \$101,250  
DOWN PAYMENT: Set by FHA  
MAXIMUM TERM: 30 years  
INTEREST: 9% for veterans  
10% for nonveterans  
These rates apply only to the first \$90,000 of a mortgage; borrowers pay the bond market rate for any amount over \$90,000

### Single-family dwelling (VA guarantee loans)

MAXIMUM AMOUNT: \$110,000  
DOWN PAYMENT: The amount of the VA guarantee plus the down payment must be equal to 25% or more of the value  
MAXIMUM TERM: 30 years  
INTEREST: 9%  
Rate applies only to the first \$90,000 of a mortgage; borrowers pay the bond market rate for any amount over \$90,000

### Owner-occupied duplex (conventional loans)

MAXIMUM AMOUNT: \$189,000  
DOWN PAYMENT: 5%  
MAXIMUM TERM: 30 years  
INTEREST: 9% for veterans  
10% for nonveterans  
These rates apply only to the first \$90,000 of a mortgage; borrowers pay the bond market rate for any amount over \$90,000

### Owner-occupied duplex (FHA-insured loans)

MAXIMUM AMOUNT: \$114,000  
DOWN PAYMENT: Set by FHA  
MAXIMUM TERM: 30 years  
INTEREST: 9% for veterans  
10% for nonveterans  
These rates apply only to the first \$90,000 of a mortgage; borrowers pay the bond market rate for any amount over \$90,000

## Loan Terms

### Single-family dwelling (conventional loans)

MAXIMUM AMOUNT: \$147,750, or maximum borrower can afford to service, whichever is less.  
DOWN PAYMENT: 5%  
MAXIMUM TERM: 30 years  
INTEREST: 9% for veterans  
10% for nonveterans  
These rates apply only to the first \$90,000 of a mortgage; borrowers pay the bond market rate for any amount over \$90,000

### Single-family dwelling (FHA-Insured loans)

MAXIMUM AMOUNT: \$101,250  
DOWN PAYMENT: Set by FHA  
MAXIMUM TERM: 30 years  
INTEREST: 9% for veterans  
10% for nonveterans  
These rates apply only to the first \$90,000 of a mortgage; borrowers pay the bond market rate for any amount over \$90,000

### Single-family dwelling (VA guarantee loans)

MAXIMUM AMOUNT: \$110,000  
DOWN PAYMENT: The amount of the VA guarantee plus the down payment must be equal to 25% or more of the value  
MAXIMUM TERM: 30 years  
INTEREST: 9%  
Rate applies only to the first \$90,000 of a mortgage; borrowers pay the bond market rate for any amount over \$90,000

### Owner-occupied duplex (conventional loans)

MAXIMUM AMOUNT: \$189,000  
DOWN PAYMENT: 5%  
MAXIMUM TERM: 30 years  
INTEREST: 9% for veterans  
10% for nonveterans  
These rates apply only to the first \$90,000 of a mortgage; borrowers pay the bond market rate for any amount over \$90,000

### Owner-occupied duplex (FHA-Insured loans)

MAXIMUM AMOUNT: \$114,000  
DOWN PAYMENT: Set by FHA  
MAXIMUM TERM: 30 years  
INTEREST: 9% for veterans  
10% for nonveterans  
These rates apply only to the first \$90,000 of a mortgage; borrowers pay the bond market rate for any amount over \$90,000



**Alaska Industrial  
Development Authority**

1577 C Street  
Anchorage, AK 99501

274-1651

H. A. HOFFMAN - EXEC. DIR.

DEPUTY OF CREDIT

WAYNE WILLIAMS

# A. through AIDA!



## That's great but who or what is AIDA?

The Alaska Industrial Development Authority. We were set up by the State of Alaska to help creditworthy businesspeople secure long-term financing for capital projects. To accomplish this, a lot of thoughtful planning was pulled by the Governor, the Lieutenant Governor, and the Legislature before AIDA was created.

But we're not a state agency. We're an independent body dedicated to a smooth-running, quiet approval loan program in cooperation with Alaska lending institutions.

## Here's how the program works in a nutshell.

AIDA sells bonds on the national money market. With the proceeds from these sales we purchase portions of loans made by lenders to businesspeople. Now here's the good part. Because the interest paid on AIDA's bonds is exempt from Federal Income Tax, the bonds bear relatively low interest rates. These low interest rates are passed on to you through your lending institution.

We want to help businesspeople with good credit standards obtain long-term financing. AIDA has programs for loans under a million and for loans from one to ten million dollars.

This is a brief summary of how AIDA works. The following sections answer questions most often asked about AIDA's different programs.

## Questions you probably have about loans under a million dollars:

**Q.** Who can qualify for this program?

**A.** Any small business enterprise with good credit who desires permanent financing up to \$1 million. Also two individual commercial fishermen may apply for loans of \$500,000 each. There is no minimum loan amount.

**Q.** What types of projects qualify?

**A.** Loans are made for new construction, new additions or expansions, new equipment, or for acquisition of existing plant or equipment when seller and buyer are unrelated.

**Q.** If AIDA commits to purchase part of my loan from a lender, how long does that commitment last?



**A.** For up to a year. This allows you time to complete your plans.

**Q.** Will AIDA give me a break if there's a bad business or fishing season?

**A.** Yes, you can get an extension, if both the lender and AIDA agree.



**Q.** And some people say that the fees are pretty steep. True?

**A.** No, your non-refundable fees will never exceed \$600. In fact, we're working to lower the fees even more.

**Q.** If I have a good season and can pay off the loan early, will AIDA penalize me?

**A.** No, there is no penalty for an early payoff.

**Q.** How long after my lender agrees to make my loan will it take AIDA to commit to participate?

**A.** Usually five days seldom over ten.

**Q.** How long after AIDA's commitment will I have the money?

**A.** Usually within 48 hours - a time acceptable to AIDA and your lender.

**Q.** Can I refinance?

**A.** No, AIDA's program is only for purchase or acquisition of capital assets or improvements.

## Questions about bigger loans (1-10 million dollars):

**Q.** What's the major difference between loans under and over 1 million dollars?

**A.** While loans over a million dollars are still financed through tax exempt bonds, the cost to the borrower is more and the borrower must have considerable financial strength.

**Q.** What is AIDA's role in these loans?

**A.** We can help you arrange, through a nationally recognized firm, issuance of tax exempt bonds for your project. If a national firm can't be found, we will try to obtain funds through other financial institutions.



## Questions lenders ask us most often:

**Q.** Won't dealing with AIDA cause the lender a lot of headaches?

**A.** No, AIDA will participate in a loan of up to 75% of the cost of borrower's project. We can purchase up to 90% of the loan if you carry 10%. We make it easier to lend to your customers at lower interest rates.



**Q.** What restrictions apply to the lenders who originate these loans?

**A.** AIDA's participation must be serviced within Alaska by a regulated financial institution.

**Q.** But there's a lot of special forms we have to fill out, right?

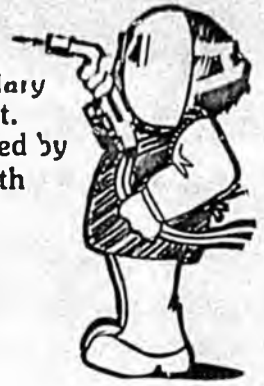
**A.** Not at all. AIDA will accept your loan forms.

**Q.** Do I have to sell 90% of my loans to AIDA?

**A.** No, you may sell any portion as long as it doesn't exceed 90%. And you may sell up to 90% of your portion to another regulated financial institution. You could have as little as 1% in the loan.

**Q.** Is AIDA a direct lender?

**A.** No, we serve only as a secondary financing market. The use of AIDA is controlled by you, the lender, working with your client.



---

**Directors of AIDA**

Lance Anderson, *Chairman*  
Thomas K. Williams, *Vice Chairman*  
L. C. Coffman  
Charles R. Webber  
Lee McAnerney  
H. A. "Buzz" Hoffman, *Executive Director*

---

**Well you've certainly answered our questions about AIDA!**

If you have further questions, please contact your lender, or call us at 274-1651.



NAME OF PROGRAM

ALASKA INDUSTRIAL DEVELOPMENT AUTHORITY (AIDA)

DEPARTMENT/DIVISION RESPONSIBLE

Prior to July 1, 1981, the Small Business Loan program was handled by the Division of Business Loans. AIDA now handles this program. AIDA is a public corporation and an Instrumentality of the Department of Commerce and Economic Development, with a legal existence separate from and Independent of the State.

STATUTE REFERENCE

AS 44.88.010-220

PURPOSE AND/OR CONDITIONS

Promote, develop, and advance the general prosperity and economic welfare of the people of Alaska, to relieve problems of unemployment and to create additional employment by providing means of financing industrial, manufacturing, small business, tourism, mining, and commercial fishing enterprises.

QUALIFIED USERS

AIDA may finance any project it approves as long as the project conforms to IRS guidelines for use of proceeds of tax-exempt bond sales. Tax-exempt bonds may be used to finance only new construction or plants; no refinancing is eligible.

LOAN TERMS

see back

LENDING MECHANISM

Public bond sales. State appropriations, fees and charges. Secondary.



Copies to  
Dist 1 House  
members + Sec  
Dist A. number  
led 1-27-81

Jan 14, 1982

Anchorage Republican Terry Diaster:

Dear Sir,

I listened to the teleconference for women and minorities in the Alaska economic picture and would like to speak for women.

In 1967 I came to Ketchikan from Heceta Island south of Sitka, with teenage children, an illness which had escaped diagnosis and almost unlimited financial credit. I was desperate for a plan to leave my children in case I wasn't around to take care of them.

My children found a small Marina they thought they could handle and it was for sale. The owner and I drew up an earnest agreement & left it at the bank, which held his mortgage.

Just months later the bank called for me to sign the papers. They had changed my name and marital status and I could either sign or forfeit the deal. We were living at and running the Marina by that time so I signed in desperation thinking I could clear it up with a will and court.

I was wrong. The judge refused to hear any thing I said I never got to court. The news finally published that I had asked for divorce but in the meanwhile my "husband" was given free access to every thing. The bank even loaned him money on my credit. I was pringed by a bank which

When we arrived Tom help me write told  
a man has a right to change his family in Alaska

had almost nothing to gain  
except 8% of \$6,000 for 7 years. We  
had no protection. I was beaten  
insensible + suffered a stroke.  
My daughter was scalped. We  
were robbed. It was 18 months  
before I got to the hospital +  
my health turned around. The  
State took the harbor and put  
us out of business. (a Ketchikan man)  
Part of the property was taken by  
a state computer for a parking  
lot. No survey or remuneration.  
My "husband" gave the property to  
a buddy by quit claim which I have  
no doubt the court will be glad  
to honor when I sue contest it.

Sorry this is so long but  
I am the one who knows  
about women and the economic  
situation in Alaska. They are  
pimped by it.

Margerie Jackson

RT-1 Box 38 Ketchikan 99901

1/14/82

House Labor & Commerce

Minutes

1273

1282 Wesley, Anch, NAACP; (1281) - ~~summary~~ history of need for mtg

1300 - Harry Goldbar deferred to \_\_\_\_\_; spoke about equal credit opportunity act; 1312 - up to institution to guess race, age, & sex; (1322) notification of adverse action, maintenance of records; (1327) <sup>federal</sup> home mortgage disclosure act; (1337) gotten by Sturgelewski re disclosure act & ECO act.

(1348) Buzzy Hoffman - background on AIDA's programs & how they hold & notice mtgs; (1359) data on minority employment w/in AIDA. (1369) overview of authority & dispersal of funds

(1374) <sup>Sen. Sturgelewski</sup> commended publicly of programs; (1383) Hoffman - will send breakdown on loans to legis re past year's activity.

KTN - Bill Moran, Pres. Ark Bankers Assoc (1390) - recognize potential for discrimination, federal efforts to avoid this.

(1405) compliance w/regulations; (1409) recourse of fed discriminated against

(1427) Kirkpatrick - complaints system; most related to account processing problems; (1437) one complaint re mortgage loan rate.

(1446) jurisdiction w/state chartered financial institution - federally chartered bank complaints go to other institutions. (1457) - microphone problems to 1476

1476 - Kirkpatrick resumed testimony re proceedings on complaints

(1486) - what is looked for in joint examinations (1482) FEDIC new ~~reg~~ program on discrimination. (1503) gotten by Martin re who to contact; (1505) Kirkpatrick response; 1513 - need complaint expressed in writing before formal action

(1525) Adelheid Hermann, Birmingham - Fisherman's mortgage note program to buy boats; explanation of proto w/prog & need for program; cost of entry into market are too high

Anch - (1563) Louis Overstreet - problems minorities have getting funds. (1584) Sen Sturgelewski - attended NAACP mtg, spoke

w/ several people who pointed out need for specifics

(1598) Wesley - comments from agencies re advertising; they're

concerned if agencies don't have data to prove they aren't discriminating; they are, de facto. System doesn't work.

(1620) state has poor affirmative action program

(1621) Martin - response; ~~was~~ cd voluntary effort of black community listing race help provide data? (1630) Wesley - shouldn't have to put burden on citizen when legislators have been informed of problem.

Fbx - Pres NAACP - loan prob in Fbx for blacks.

(1646) ask bank what's needed, ~~then~~ fulfill reqts, & are told not enough info; <sup>banks</sup> refuse loans. Governor investigated & cdn't find discrimination. <sup>(1662)</sup> Recourse according to federal regs - treasury, justice dept

(1665)

Pete Aikens - difficulties (1677) state loan offers - were bank offers (in Fairbanks). (1680) specifics of his problems borrowing money fm Ak. Statebank - took over a year to get the loan.

(1698) Martin - questions - (1) once turned down, did he follow through on complaint? (2) did lending inst give list of procedures to follow getting loan; (1707) - Aikens response

Sitka - Phil Moreno (1714) - hard to obtain housing

(1734) Mat - Su, no testimony

(1743) Willy Radcliff, Ak. Minority Business Task Force - problems

(1784) portion of bank's money shd be allocated to black community

(1805) Martin questions - what is possibility of black community drawing up plan they feel is fair & addressing legislative funds.

(1815) Radcliff - don't have resources, not their responsibility

(1828) Mary Afghan, AHC - <sup>first months</sup> AHC lending, no home loans made to blacks; bond market concerned about bonds susceptible to attack; when AHC found out, change in attitude, which was communicated fm AHC to private market. AIDA staffed by former bankers. (Testimony continued on Tape 2)

(056) attempts made to take property away fm blacks in order to ruin economic stability. (083) Martin comments.

(089) Samuel Franks, NAACP, Fbx; (165) Barry Bess - wants funds to conduct study

~~At~~ Ktn (179) Jeff Swartz, dept coord, city of Saxman  
(200) look at national participation programs to develop  
citizens participation rights policy for state. Suggestions for  
community development programs; loan programs; local housing  
authority. (310) Nora DeWitt, Clerk, City of Saxman, large  
native pop'n. Pests getting housing funds, losing youth population.  
Being denied funds because of road link to Ktn.

(358) Future Ries, ~~frustrated~~ frustrated, so doesn't think Wesley responded  
to problem, address procedures instead. (396) Tom Stoner,  
Ainc, grievances w/AHFC.

(449) moderator polled sites  
-471)

Dean de Cloin  
(476) ~~some guy~~ in. Ainc - comments on agencies with potential  
to provide info who don't. (504) shd be required to  
collect & use minority info. (538) supports lending programs.

(585) Phillip Pleasant, Ainc - comments on worsening situation  
for blacks

(610) Ktn, \_\_\_\_\_, comment on constitutional rights

(655) Buzz Hoffman, outreach programs

(687) Harry Goldbar