

**COMMITTEE REPORT
SENATE**

FURTHER:

5/3/84

Date 5/25/84

Mr. President

The Committee on FINANCE considered CSHB 664(Fin)
appropriations to the Alaska Housing Finance Corporations; eid.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation *to be accompanied
with into committee.*
- recommends referral to _____ Committee

**MEMBERS SIGNING
DO PASS**

Bob [unclear]
Joe [unclear]
V. Fisher

**MEMBERS HAVING
OTHER RECOMMENDATIONS**

[Signature]

Chairman

Chairman recommendation

Offered: 4/30/84
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 664 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act making appropriations to the Alaska Housing
7 Finance Corporation; and providing for an effective
8 date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. All unrestricted mortgage loan interest payments and all
11 other receipts, including, without limitation, mortgage loan commitment
12 fees, received by or accrued to the Alaska Housing Finance Corporation
13 during the period of July 1, 1984 through June 30, 1985, and all income
14 earned on assets of the corporation during that period, are appropriated to
15 the Alaska Housing Finance revolving fund (AS 18.56.082) for the purposes
16 described in AS 18.56.
17 * Sec. 2. All assets of the home ownership fund (AS 18.56.091), includ-
18 ing all outstanding loans on mobile homes purchased with assets of the
19 fund, are transferred to the Alaska Housing Finance revolving fund (AS
20 18.56.082) for the purposes described in AS 18.56. Amounts in the home
21 ownership fund which are the subject of agreements with bondholders shall
22 be deposited and maintained in a separate account within the revolving fund
23 to the extent required by the agreements.
24 * Sec. 3. Section 1 of this act takes effect July 1, 1984.
25 * Sec. 4. Section 2 of this Act takes effect on the effective date of
26 an amendment to AS 18.56.091 which has the effect of repealing the home
27 ownership fund, contained in a bill entitled "An Act relating to certain
28 state housing loan programs; and providing for an effective date."

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Comp. w/original bill

REQUE...
 Bill/Resolution No: HB 664
 Title: An Act making appropriations to AHFC.
 Sponsor: Governor
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Revenue
 Program Category Affected: _____
Alaska Housing Finance Corporation
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-0-	-0-	-0-	-0-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS:

Section 1 of this bill responds to a question which has been raised by the Attorney General's Office concerning the possibility that retention of some revenues and receipts of the Corporation may be in conflict with the "dedicated funds" provisions of the State Constitution. The Attorney General's Office has not yet answered that question. The bill removes any doubt as to the proper retention of revenues and receipts of the Corporation.

Section 2 of this bill transfers all assets of the Home Ownership Fund to the Alaska Housing Finance revolving fund which was established by the Legislature in 1983 to alleviate some of the "dedicated funds" questions and to facilitate a continuity of programs of the Corporation.

Prepared By: Michael S. Lynch
 Division: Alaska Housing Finance Corporation

Phone: 276-5599
 Date: _____

Approved by Commissioner: *Reid Heath*
 Agency: DAR

Date: 2/2/84

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 1984

The Honorable Joe Hayes
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting four bills which relate to the Alaska Housing Finance Corporation (AS 18.56).

The first bill includes several substantive proposals. Section 1 enables the Board of Directors to delegate to the executive director the authority to sell an issue of bonds, if the Board establishes the maximum true interest cost for the issue. This proposal will enable the corporation to respond more rapidly to the capital markets. Section 2, in conjunction with the related appropriation provision in an accompanying bill, is intended to clarify the statutory basis for the home ownership assistance program and to repeal the current separate fund for the program. (AS 18.56.091) Section 3 precludes the corporation from purchasing a loan if the borrower has an outstanding housing loan under a state loan program. Section 3 also amends AS 18.56.096 to specify, in accordance with the present practice of the corporation, that the loan-to-value limitation does not apply to a qualified loan which is federally insured or guaranteed. Section 4 amends AS 18.56.098(g)(6) to provide that the interest rate on the first \$90,000 of a qualified mortgage loan will be the same for all borrowers, regardless of whether the loan is purchased with proceeds from a taxable or tax-exempt bond issue. Section 5 makes a technical modification to a financial provision, and sec. 6 authorizes the corporation to issue \$1.5 billion in bonds during FY 85.

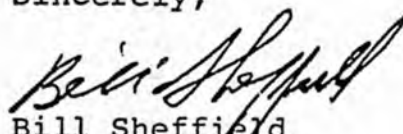
To remove any possible legal concerns, the second bill appropriates to the corporation unrestricted interest repayments as well as certain program receipts which may accrue to the corporation during the next fiscal year. In addition, sec. 2 of the bill transfers the assets of the home ownership fund (AS 18.56.091) to the Alaska Housing Finance revolving fund. (AS 18.56.082.) As proposed in the companion bill, the home ownership fund is abolished. The transfer of assets to the revolving fund, subject to bondholder agreements, will provide the requisite flexibility for the corporation to continue to implement the home ownership assistance program.

The third bill proposes the presentation to the voters of the question of whether to authorize the issuance of \$700,000,000 in state-guaranteed veterans' bonds. Since state-guaranteed veterans' bonds are tax-exempt, the corporation is able to provide benefits to veterans at a substantial savings to the state.

The fourth bill proposes a \$100,000,000 increase in the corporation's bond issuance authorization limit for this fiscal year (FY 84). When the current debt authority limit of \$980,000,000 was established, the purchase of mobile home loans was financed exclusively with state appropriations. The corporation has now designed a program under which the purchase of qualified mobile home loans may be financed through bond proceeds, and the proposed increase in the debt authorization level is necessary to implement this program.

These four bills present a balanced approach to the operations of the corporation. I therefore urge you to consider the legislation relating to the corporation as an integrated package. I add, also, that prompt legislative review and approval is important. In particular, please note that pending federal legislation may restrict, if not preclude, the issuance of tax-exempt veterans' bonds. Legislative approval before any Congressional action may thus allow the state to realize a substantial savings in providing benefits to qualified veterans.

Sincerely,


Bill Sheffield
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

REQUE...
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 Sponsor: Governor
 Requestor: _____
 Date of Request: _____

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Prepared By: Michael S. Lynch
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Phone: 276-5599

Date: _____

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Agency: DOR

Date: 2/2/84

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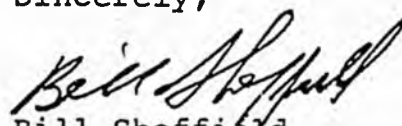
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Sincerely,


Bill Sheffield
Governor

ALASKA HOUSING FINANCE CORPORATION
HB 664

Section 1 of this bill responds to a question which has been raised by the Attorney General's Office concerning the possibility that retention of some revenues and receipts of the Corporation may be in conflict with the "dedicated funds" provisions of the State Constitution. The bill removes any doubt as to the proper retention of revenues and receipts of the Corporation. The FY '85 Capitol Budget request of the Corporation of \$16 million is based on retention of these funds.

Section 2 of this bill transfers all assets of the Home Ownership Fund to the Alaska Housing Finance revolving fund which was established by the Legislature in 1983 to alleviate some of the "dedicated funds" questions and to provide legal certainty for the Corporation's mobile home program.