

COMMITTEE REPORT
SENATE

FURTHER:

3/5/85

Date _____

Mr. President

The Committee on FINANCE considered SB 212

relating to the refinancing of Alaska Housing Finance Corporation loans in cases of extreme hardship.

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
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

Introduced: 3/5/85
Referred: Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 212

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the refinancing of Alaska Housing
7 Finance Corporation loans in cases of extreme
8 hardship."

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

10 * Section 1. AS 18.56.090 is amended by adding a new paragraph to read:

11 (28) permit a borrower to refinance a loan made or purchased
12 by the corporation under this chapter if a borrower is unable to make
13 loan payments because of extreme hardship caused by the death or
14 serious illness of the borrower or the borrower's spouse.

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
S
COMMITTEE COPY

ALASKA STATE LEGISLATURE

14th Legislature FIRST Session

SENATE BILL NO. 212

By RAY

"An Act relating to the refinancing of Alaska Housing Finance Corporation loans in cases of extreme hardship."

Introduced in the Senate ... 3/5, 19.85

HISTORY IN THE SENATE

19 85

3 5

Read first time and referred to Committee on

Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB212
 Title: An act relating to re-
financing AHFC loans
 Sponsor: Rav
 Requestor: _____
 Date of Request: 3/5/85

FISCAL DETAIL

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

see attached

Prepared By: *Diana Clive*
 Division: Alaska Housing Finance Corporation

Phone: 276-5599
 Date: _____

Approved by Commissioner: *Henry W. Sturdale*
 Agency: Department of Revenue

Date: 4/24/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

SB212

- A. AHFC anticipates that the cost of this bill would be minimal. Although the bill would allow refinancing an AHFC loan to obtain a lower interest rate, the borrower would still have to be able to qualify for the lower loan payments, and there would be a certain amount of cash required for closing costs.

- B. The Corporation would recommend that the amendment be placed in AS 18.56.098(a) which sets up the guidelines for the Special Mortgage Loan Purchase Program under which all of the Corporation's current loan programs are operated.

The bill, as drafted, would only allow refinancing for an AHFC loan.

C+U

ANALYSIS FOR SENATE BILL 212

An Act relating to refinancing of Alaska Housing Finance Corporation loans in cases of extreme hardship

As introduced this bill amended the AHFC statutes relating to the Corporation's general powers. Essentially, AHFC would have been authorized to permit a borrower to refinance a loan because of extreme hardship. That was defined as the death or serious illness of the borrower or the borrower's spouse.

At the request of the sponsor, there is a Finance Committee Substitute, because the opinion of AHFC was that the original bill did not correct the problem which prompted Senator Ray to introduce this bill.

In the Finance CS, the special mortgage loan purchase program is amended by allowing AHFC to refinance loans so that the borrower (suffering an extreme hardship) may obtain a lower interest rate. AHFC defines cases of extreme hardship as death, divorce or sever disability. It would apply to persons currently holding higher interest rate AHFC loans as well as persons holding conventional or other types of mortgages.

There is no fiscal impact.

Original sponsor: Ray

1
2 IN THE SENATE

BY THE FINANCE COMMITTEE

3 CS FOR SENATE BILL NO. 212 (Finance)

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 FOURTEENTH LEGISLATURE - FIRST SESSION

6 A BILL

7 For an Act entitled: "An Act relating to the refinancing of Alaska Housing
8 Finance Corporation loans in cases of extreme hard-
9 ship."

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

11 * Section 1. AS 18.56.098(a) is amended to read:

12 (a) The corporation shall establish a special mortgage loan
13 purchase program. Under the special mortgage loan purchase program,
14 the corporation may purchase first or second mortgage loans, including
15 graduated payment mortgage loans, made for the purchase, improvement,
16 or rehabilitation of residences and may refinance loans for obtaining
17 a lower interest rate in cases of extreme hardship.

Introduced: 3/5/85
Referred: Finance

1 IN THE SENATE

BY RAY

2

SENATE BILL NO. 212

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the refinancing of Alaska Housing

7

Finance Corporation loans in cases of extreme

8

hardship."

9

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

10

* Section 1. AS 18.56.090 is amended by adding a new paragraph to read:

11

(28) permit a borrower to refinance a loan made or purchased

12

by the corporation under this chapter if a borrower is unable to make

13

loan payments because of extreme hardship caused by the death or

14

serious illness of the borrower or the borrower's spouse.