

COMMITTEE REPORT
SENATE

FURTHER:

Date 5/8/85

Mr. President

The Committee on Small Business considered SB 161

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" **[3]** NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

**STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 263
 Title: An act relating to disqualification for certain loan programs
 Sponsor: Faiks, Halford et al
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: 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-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

SB 263 would not have a fiscal impact on AHFC. The Corporation would require that any loan application must contain verification that there is not a past due child support obligation.

Prepared By: *Alison R. ...* Phone: 276-5599
 Division: Alaska Housing Finance Corporation Date: _____

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 263
 Title: Disqualification
 State loan programs . . . Child Support
 Sponsor: Faiks
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Comm. & Econ. Dev.
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: _____
 Division of Investments

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		3.3				
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		3.3				
CAPITAL		-0-				
REVENUE		-0-				

FUNDING: (Thousands of Dollars)

GENERAL FUND		3.3				
FEDERAL FUNDS						
OTHER						
TOTAL		3.3				

POSITIONS:

FULL-TIME		-0-				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

\$3,300 is requested to revise and reprint existing loan application packets for the loan programs affected by this bill. A new credit authorization form will be sent to the Division of Child Support Enforcement, Department of Revenue, prior to application processing.

Prepared By: Paul B. Arnoldt, Director Phone: 465-2510
 Division: Division of Investments Date: _____

Approved by Commissioner: Loren H. Lounsbury Date: 4/19/85
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

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

7/1/84

APP 1985

FISCAL NOTE

Revision Date: _____

OFFICE OF THE COMMISSIONER
REQUEST

FISCAL DETAIL

Bill/Resolution No.: SB 263
 Title: Disqualification for cer-
tain loans for failure to pay child support
 Sponsor: Faiks
 Requestor: HESS
 Date of Request: 4-2-85

Agency Affected: Revenue
 Program Category Affected: Child Support
Enforcement Division
 BRU, Program or Subprogram(s) Affected: _____

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						
CAPITAL						
REVENUE	2.5	2.5	2.5	2.5	2.5	2.5

FUNDING: (Thousands of Dollars)

GENERAL FUND	.75	.75	.8	.8	.85	.85
FEDERAL FUNDS	1.75	1.75	1.7	1.7	1.65	1.65
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

This figure represents one notice per year for each case currently in arrears which includes postage, paper goods, computer time, and photocopy costs.

Prepared By: Holli Ploog
 Division: Child Support Enforcement Division
 Approved by Commissioner: [Signature]
 Agency: [Signature]

Phone: 276-3441
 Date: 4-4-85
 Date: 4/5/85

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Introduced: 3/29/85
Referred: Health, Education and
Social Services and
Finance

BY FAIKS, HALFORD,
ELIASON AND STURGULEWSKI

1 IN THE SENATE

2 SENATE BILL NO. 263

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 disqualification for certain
7 state loan programs for failure to pay child sup-
8 port."

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

10 * Section 1. AS 03.10.030 is amended by adding a new subsection to
11 read:

12 (i) A person is not eligible for a loan under this chapter if
13 the person has a past due child support obligation at the time of
14 application.

15 * Sec. 2. AS 14.43.125(a) is amended to read:

16 (a) A person may apply for and obtain a scholarship loan if the
17 person

18 (1) is a resident of the state at the time of application
19 for a scholarship loan;

20 (2) meets the requirements of (b) of this section; [AND]

21 (3) is

22 (A) enrolled as a full-time student in a career educa-
23 tion or associate or baccalaureate or graduate degree program; or

24 (B) a graduate of a high school or scheduled for
25 graduation from a high school within six months, with sufficient
26 credits to be admitted to a career education program or to an
27 accredited college or university; and

28 (4) does not have a past due child support obligation at
29 the time of application.

1 * Sec. 3. AS 14.43.650(a) is amended to read:

2 (a) To be eligible for a teacher scholarship loan, a student
3 must

4 (1) be a graduate of a public or private high school in the
5 state, with sufficient credits to be admitted to an accredited college
6 or university;

7 (2) be enrolled in or show evidence of intent to enroll in
8 a degree program directed at a teaching career at the elementary or
9 secondary school level;

10 (3) meet the conditions set by the student's local school
11 board with respect to the district's requirements for teachers in
12 particular subject areas; [AND]

13 (4) submit to the local school board an application pro-
14 vided by the student financial aid committee under AS 14.43.630(a)(3);
15 an application may be submitted six months before graduation from high
16 school; and

17 (5) not have a past due child support obligation at the
18 time of application.

19 * Sec. 4. AS 16.10.320(a) is amended to read:

20 (a) A loan under AS 16.10.310 - 16.10.370

21 (1) may not exceed a term of 15 years;

22 (2) may not bear interest exceeding 10-1/2 percent;

23 (3) shall be secured by a first priority lien and appropri-
24 ate security agreement; [AND]

25 (4) may not exceed 90 percent of the appraised value of the
26 collateral used to secure the loan, except that a loan granted under
27 AS 16.10.333 for the purchase of an Alaska limited entry permit may
28 not exceed an amount determined in accordance with (f) or (h) of this
29 section; and

1 (5) may not be made to a person who has a past due child
2 support obligation at the time of application.

3 * Sec. 5. AS 18.56.096(a) is amended to read:

4 (a) The corporation may not make, participate in the making of,
5 purchase, or participate in the purchase of

6 (1) a first mortgage loan under this chapter for a duplex,
7 triplex, or four-plex that exceeds the limitations on first mortgage
8 loans for similar housing purchased by the Federal National Mortgage
9 Association as to principal amount and loan-to-value ratio;

10 (2) a second mortgage loan for a duplex, triplex, or four-
11 plex the amount of which, when combined with the principal balance of
12 a first mortgage loan on the property, exceeds the limitation on the
13 amount set out in (1) of this subsection; that has a loan-to-value
14 ratio, when considered with the principal balance of the first mort-
15 gage loan, that exceeds 90 percent;

16 (3) a mortgage loan to finance the purchase of new housing
17 or for the improvement or rehabilitation of existing housing, unless
18 the construction, improvement, or rehabilitation work has been per-
19 formed by a contractor who is registered to work as a contractor under
20 AS 08.18; this paragraph does not apply if the construction, improve-
21 ment, or rehabilitation work

22 (A) has been totally or substantially performed by the
23 borrower;

24 (B) has been performed by a borrower who acts as the
25 contractor for the construction, improvement, or rehabilitation
26 work; or

27 (C) has been performed in an area designated by the
28 corporation as exempt from the requirements of this paragraph
29 because of the unavailability of registered contractors in that

1 area;

2 (4) a first mortgage loan for a single-family residence
3 that exceeds the limitations on first mortgage loans for similar
4 housing purchased by the Federal National Mortgage Association as to
5 principal amount by more than 10 percent, or has a loan-to-value ratio
6 that exceeds 95 percent, or a second mortgage loan for a single-family
7 residence, the amount of which, when combined with the principal
8 balance of a first mortgage loan on the property, exceeds the limi-
9 tations on loans for similar housing purchased by the Federal National
10 Mortgage Association as to principal amount by more than 10 percent,
11 or has a loan-to-value ratio, when considered with the principal
12 balance of the first mortgage loan, that exceeds 90 percent; or

13 (5) a first or second mortgage loan for rental housing
14 unless the borrower agrees not to discriminate against tenants or
15 prospective tenants because of sex, marital status, changes in marital
16 status, pregnancy, parenthood, race, religion, color, national origin,
17 or status as a student; [OR]

18 (6) a first mortgage loan if the borrower has an outstand-
19 ing first mortgage housing loan under this chapter or an outstanding
20 first mortgage loan for owner-occupied housing under AS 44.47; or

21 (7) a loan to a person who has a past due child support
22 obligation at the time of application.

23 * Sec. 6. AS 26.15.130 is amended by adding a new subsection to read:

24 (c) A person who has a past due child support obligation at the
25 time of application is not eligible for a loan under this chapter.

26 * Sec. 7. AS 27.09.020 is amended by adding a new subsection to read:

27 (b) A person who has a past due child support obligation at the
28 time of application is not eligible for a loan under this chapter.

29 * Sec. 8. AS 44.47.390 is amended to read:

1 Sec. 44.47.390. LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN
2 FUND. The director may not use the money in the housing assistance
3 loan fund to

4 (1) originate a direct loan or purchase or participate in
5 the purchase of a nonconforming or rural housing mortgage loan that
6 exceeds the limitations on mortgage loans purchased by the Federal
7 National Mortgage Association as to principal amount or loan-to-value
8 ratio;

9 (2) originate a direct loan or purchase or participate in
10 the purchase of a loan made for building materials for nonconforming
11 or rural housing

12 (A) that exceeds \$45,000 or exceeds

13 (i) 80 percent of the appraised value of the work
14 completed on the nonconforming or rural housing for which
15 the loan is made if the nonconforming or rural housing is
16 pledged as collateral for the loan; or

17 (ii) 90 percent of the value of other property
18 that is pledged as security for the loan and that is satis-
19 factory to the director as collateral;

20 (B) unless the terms of the loan agreement require
21 inspections and certifications, as required by regulations of the
22 director, at the expense of the borrower; and

23 (C) unless the period of time allowed for repayment of
24 the loan is equal to or less than 15 years;

25 (3) originate direct loans or purchase or participate in
26 the purchase of a nonconforming or rural housing mortgage loan that is
27 secured by real property the marketable title to which is shown in
28 accordance with AS 44.47.420(b)(2) if the total amount of outstanding
29 nonconforming and rural housing mortgage loans held by the division

1 exceeds 10 times the amount of money in the restricted title loss
2 reserve account (AS 44.47.430);

3 (4) originate a direct loan for nonconforming or rural
4 housing or purchase or participate in the purchase of a nonconforming
5 or rural housing mortgage loan, other than a loan for the repair,
6 remodeling, rehabilitation, or expansion of an existing owner-
7 occupied residence, if the borrower has an outstanding housing loan
8 made under a state loan program, other than a loan for nonowner-
9 occupied housing under AS 44.47.520, that bears interest at a rate
10 that was less than the prevailing market interest rate for similar
11 housing loans at the time the loan was made;

12 (5) originate a direct mortgage loan or purchase or partic-
13 ipate in the purchase of a mortgage loan for rental housing unless the
14 borrower agrees not to discriminate against tenants or prospective
15 tenants because of sex, marital status, changes in marital status,
16 pregnancy, parenthood, race, religion, color, national origin, or
17 status as a student;

18 (6) originate, purchase, or participate in a loan to a
19 person who has a past due child support obligation at the time of
20 application.

21 * Sec. 9. AS 45.88.020 is amended by adding a new subsection to read:

22 (c) The department may not make a loan under this chapter to a
23 person who has a past due child support obligation at the time of
24 application.

25 * Sec. 10. AS 45.89.030 is amended by adding a new subsection to read:

26 (k) The department may not make a loan under this chapter to a
27 person who has a past due child support obligation at the time of
28 application.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 263
 Title: Disqualification
 State loan programs . . . Child Support
 Sponsor: Faiks
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Comm. & Econ. Dev.
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: _____
 Division of Investments

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		3.3				
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
300 MISCELLANEOUS						
TOTAL OPERATING		3.3				
CAPITAL		-0-				
REVENUE		-0-				

FUNDING: (Thousands of Dollars)

GENERAL FUND		3.3				
FEDERAL FUNDS						
OTHER						
TOTAL		3.3				

POSITIONS:

FULL-TIME		-0-				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

\$3,300 is requested to revise and reprint existing loan application packets for the loan programs affected by this bill. A new credit authorization form will be sent to the Division of Child Support Enforcement, Department of Revenue, prior to application processing.

Prepared By: Paul B. Arnoldt, Director Phone: 465-2510
 Division: Division of Investments Date: _____

Approved by Commissioner: Loren H. Lounsbury Date: 4/19/85
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

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

7/1/84

Revision Date: _____

OFFICE OF THE COMMISSIONER

REQUEST

Bill/Resolution No.: SB 263
 Title: Disqualification for cer-
tain loans for failure to pay child support
 Sponsor: Faiks
 Requestor: HESS
 Date of Request: 4-2-85

FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: Child Support
Enforcement Division
 BRU, Program or Subprogram(s) Affected: _____

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						

CAPITAL						
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REVENUE	2.5	2.5	2.5	2.5	2.5	2.5
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FUNDING: (Thousands of Dollars)

GENERAL FUND	.75	.75	.8	.8	.85	.85
FEDERAL FUNDS	1.75	1.75	1.7	1.7	1.65	1.65
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

This figure represents one notice per year for each case currently in arrears which includes postage, paper goods, computer time, and photocopy costs.

Prepared By: Holli Ploog / HP Phone: 276-3441
 Division: Child Support Enforcement Division Date: 4-4-85

Approved by Commissioner: [Signature] Date: 4/5/85
 Agency: [Signature]

Distribution (by Agency preparing fiscal note):

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

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 263
 Title: An act relating to disqualification for certain loan programs
 Sponsor: Faiks, Halford et al
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: 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						
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TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

SB 263 would not have a fiscal impact on AHFC. The Corporation would require that any loan application must contain verification that there is not a past due child support obligation.

Prepared By: Alfonso P. [Signature] Phone: 276-5599
 Division: Alaska Housing Finance Corporation Date: _____

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

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

7/1/84

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB 263
 Title : An acting relating to
disqualification for certain loan
programs.
 Sponsor : Fajks, Halford, et al
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Revenue
 BRU : Alaska Housing Finance Corporation

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

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

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

SB 263 would not have a fiscal impact on AHFC. The Corporation would require that any loan application must contain verification that there is not a past due child support obligation.

Prepared by : Ron Lehr Phone : 276-5599
 Division : Alaska Housing Finance Corporation Date : _____
 Approved by Commissioner : *Shirley G. Sturdale* Date : 3/13/86
 Agency : Revenue

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
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STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB 263
 Title : Disqualificatio for certain
loans for failure to pay child
support
 Sponsor : Faiks
 Requestor : HESS
 Date of Request : 3/13/86

FISCAL DETAIL

Agency Affected : Revenue
 BRU : Child Support Enforcement
Division
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
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ANALYSIS : Attach a separate page if necessary

This figure represents one notice per year for each case currently in arrears which includes postage, paper goods, computer time, and photocopy costs.

Prepared by : Holli Ploog Phone : 276-3441

Division : Child Support Enforcement Division Date : _____

Approved by Commissioner : *[Signature]* Date : 3/13/86
 Agency : Revenue

Distribution (by Agency preparing fiscal note):

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

Introduced: 3/29/85
Referred: Health, Education and
Social Services and
Finance

BY FAIKS, HALFORD,
ELIASON AND STURGULEWSKI

1 IN THE SENATE

2

SENATE BILL NO. 263

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 disqualification for certain
7 state loan programs for failure to pay child sup-
8 port."

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

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14 application.

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16 (a) A person may apply for and obtain a scholarship loan if the
17 person

18 (1) is a resident of the state at the time of application
19 for a scholarship loan;

20 (2) meets the requirements of (b) of this section; [AND]

21 (3) is

22 (A) enrolled as a full-time student in a career educa-
23 tion or associate or baccalaureate or graduate degree program; or

24 (B) a graduate of a high school, or scheduled for
25 graduation from a high school within six months, with sufficient
26 credits to be admitted to a career education program or to an
27 accredited college or university; and

28 (4) does not have a past due child support obligation at
29 the time of application.

1 * Sec. 3. AS 14.43.650(a) is amended to read:

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3 must

4 (1) be a graduate of a public or private high school in the
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6 or university;

7 (2) be enrolled in or show evidence of intent to enroll in
8 a degree program directed at a teaching career at the elementary or
9 secondary school level;

10 (3) meet the conditions set by the student's local school
11 board with respect to the district's requirements for teachers in
12 particular subject areas; [AND]

13 (4) submit to the local school board an application pro-
14 vided by the student financial aid committee under AS 14.43.630(a)(3);
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24 ate security agreement; [AND]

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26 collateral used to secure the loan, except that a loan granted under
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12 a first mortgage loan on the property, exceeds the limitation on the
13 amount set out in (1) of this subsection or that has a loan-to-value
14 ratio, when considered with the principal balance of the first mort-
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16 (3) a mortgage loan to finance the purchase of new housing
17 or for the improvement or rehabilitation of existing housing, unless
18 the construction, improvement, or rehabilitation work has been per-
19 formed by a contractor who is registered to work as a contractor under
20 AS 08.18; this paragraph does not apply if the construction, improve-
21 ment, or rehabilitation work

22 (A) has been totally or substantially performed by the
23 borrower;

24 (B) has been performed by a borrower who acts as the
25 contractor for the construction, improvement, or rehabilitation
26 work; or

27 (C) has been performed in an area designated by the
28 corporation as exempt from the requirements of this paragraph
29 because of the unavailability of registered contractors in that

1 area;

2 (4) a first mortgage loan for a single-family residence
3 that exceeds the limitations on first mortgage loans for similar
4 housing purchased by the Federal National Mortgage Association as to
5 principal amount by more than 10 percent, or has a loan-to-value ratio
6 that exceeds 95 percent, or a second mortgage loan for a single-family
7 residence, the amount of which, when combined with the principal
8 balance of a first mortgage loan on the property, exceeds the limi-
9 tations on loans for similar housing purchased by the Federal National
10 Mortgage Association as to principal amount by more than 10 percent,
11 or has a loan-to-value ratio, when considered with the principal
12 balance of the first mortgage loan, that exceeds 90 percent; or

13 (5) a first or second mortgage loan for rental housing
14 unless the borrower agrees not to discriminate against tenants or
15 prospective tenants because of sex, marital status, changes in marital
16 status, pregnancy, parenthood, race, religion, color, national origin,
17 or status as a student; [OR]

18 (6) a first mortgage loan if the borrower has an outstand-
19 ing first mortgage housing loan under this chapter or an outstanding
20 first mortgage loan for owner-occupied housing under AS 44.47; or

21 (7) a loan to a person who has a past due child support
22 obligation at the time of application.

23 * Sec. 6. AS 26.15.130 is amended by adding a new subsection to read:

24 (c) A person who has a past due child support obligation at the
25 time of application is not eligible for a loan under this chapter.

26 * Sec. 7. AS 27.09.020 is amended by adding a new subsection to read:

27 (b) A person who has a past due child support obligation at the
28 time of application is not eligible for a loan under this chapter.

29 * Sec. 8. AS 44.47.390 is amended to read:

1 Sec. 44.47.390. LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN
2 FUND. The director may not use the money in the housing assistance
3 loan fund to

4 (1) originate a direct loan or purchase or participate in
5 the purchase of a nonconforming or rural housing mortgage loan that
6 exceeds the limitations on mortgage loans purchased by the Federal
7 National Mortgage Association as to principal amount or loan-to-value
8 ratio;

9 (2) originate a direct loan or purchase or participate in
10 the purchase of a loan made for building materials for nonconforming
11 or rural housing

12 (A) that exceeds \$45,000 or exceeds

13 (i) 80 percent of the appraised value of the work
14 completed on the nonconforming or rural housing for which
15 the loan is made if the nonconforming or rural housing is
16 pledged as collateral for the loan; or

17 (ii) 90 percent of the value of other property
18 that is pledged as security for the loan and that is satis-
19 factory to the director as collateral;

20 (B) unless the terms of the loan agreement require
21 inspections and certifications, as required by regulations of the
22 director, at the expense of the borrower; and

23 (C) unless the period of time allowed for repayment of
24 the loan is equal to or less than 15 years;

25 (3) originate direct loans or purchase or participate in
26 the purchase of a nonconforming or rural housing mortgage loan that is
27 secured by real property the marketable title to which is shown in
28 accordance with AS 44.47.420(b)(2) if the total amount of outstanding
29 nonconforming and rural housing mortgage loans held by the division

1 exceeds 10 times the amount of money in the restricted title loss
2 reserve account (AS 44.47.430);

3 (4) originate a direct loan for nonconforming or rural
4 housing or purchase or participate in the purchase of a nonconforming
5 or rural housing mortgage loan, other than a loan for the repair,
6 remodeling, rehabilitation, or expansion of an existing owner-
7 occupied residence, if the borrower has an outstanding housing loan
8 made under a state loan program, other than a loan for nonowner-
9 occupied housing under AS 44.47.520, that bears interest at a rate
10 that was less than the prevailing market interest rate for similar
11 housing loans at the time the loan was made;

12 (5) originate a direct mortgage loan or purchase or partic-
13 ipate in the purchase of a mortgage loan for rental housing unless the
14 borrower agrees not to discriminate against tenants or prospective
15 tenants because of sex, marital status, changes in marital status,
16 pregnancy, parenthood, race, religion, color, national origin, or
17 status as a student;

18 (6) originate, purchase, or participate in a loan to a
19 person who has a past due child support obligation at the time of
20 application.

21 * Sec. 9. AS 45.88.020 is amended by adding a new subsection to read:

22 (c) The department may not make a loan under this chapter to a
23 person who has a past due child support obligation at the time of
24 application.

25 * Sec. 10. AS 45.89.030 is amended by adding a new subsection to read:

26 (k) The department may not make a loan under this chapter to a
27 person who has a past due child support obligation at the time of
28 application.

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

3/29/85

Date 4-23-85

Mr. President

The Committee on HESS considered SB 263

relating to disqualification for certain state loan programs for failure to pay child support.

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

Edna De Vries

Paul Frank

Joe Rosenbom

Curtis Sturgis

Lettie Fabrenberg
Chairman

Do Pass
Chairman recommendation