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Original sponsors: Donley, Ellis,
Boucher, et al.

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 432 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the Alaska Housing Finance Corpo-
7 ration to accept trades in certain cases; and provid-
8 ing for an effective date."

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

10 * Section 1. PURPOSE AND AUTHORIZATION. (a) The legislature finds
11 that a sizeable proportion of the residents of the state have mortgages
12 that exceed both the present value of the property and the present ability
13 of the mortgagors of the property to make the payments agreed to in the
14 past. The purpose of this Act is to direct the Alaska Housing Finance
15 Corporation to use creative solutions to the present crisis in the housing
16 market and, at the same time, to permit the corporation to seek the dis-
17 posal of surplus residences within the corporation's inventory.

18 (b) The Alaska Housing Finance Corporation may permit mortgagors who
19 are experiencing difficulty in meeting their mortgage payments to return
20 the residence and its mortgage to the Alaska Housing Finance Corporation
21 and to enter into a new mortgage for different residential property subject
22 to the control of the corporation at payments that are more within the
23 ability of the mortgagors.

24 (c) The Alaska Housing Finance Corporation may also permit a mortga-
25 gor who is willing to accept the responsibility for a larger mortgage to
26 offer an existing residence and its mortgage to the corporation and enter
27 into a new mortgage for different residential property subject to the
28 control of the corporation.

29 (d) The Alaska Housing Finance Corporation and the mortgagor shall in

1 each case work to assist in mitigating, through loan restructuring and
2 other methods, the financial hardship that may be present.

3 (e) In this section, "residence" includes mobile homes.

4 * Sec. 2. This Act is repealed July 1, 1991.

5 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).
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5-1644L ✓
Bradley
3/24/88

Draft CS
Removes
Negative Equity
Language

Original sponsors: Donley, Ellis,
Boucher, et al.

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PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: RON SNITKER
TITLE:
ADDRESS: 100 KNOWLES
CITY: ANCHORAGE ZIP: 99515
PHONE: 349-4374
BILL NO: HB 432
SUBJECT: ALLOW TRADE OF AHFC HELD HOME FOR ANOTHER
MESSAGE: I WOULD LIKE IT TO BE KNOWN THAT I SUPPORT DAVE DONLEY'S BILL HB 432.

POMID: 03130346
DATE: 04/05/88
TIME: 13:03:46
LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES

BARNES
COTTEN
GRUENBERG
AVARRE
TAYLOR
ULMER

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: DAWN BRETTRAGER
TITLE:
ADDRESS: HC01 BOX 6763-A3
CITY: PALMER ZIP: 99645
PHONE: 745-7085
BILL NO:
SUBJECT: U OF A BUDGET
MESSAGE: I URGE YOU TO REINSTATE LINE ITEM NO 7 AT \$350,000 FOR UPPER DIVISION CLASSES AT THE EXTENDED CAMPUS SITES. REASON IS NECESSARY FOR TEACHER RECERTIFICATION.

POMID: 14130721
DATE: 04/05/88
TIME: 13:07:21
LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAH
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOILL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MENARD	MILLER	JOSEPHSON
NAVARRE	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SPRINGER	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

March 29, 1988

John Sund
Chairman, Judiciary
P.O. Box V
Juneau, Alaska 99811

MAR 30 1988

In an article entitled "Help on the Hill" which was published in the March 1988 edition of On the Market, mention is made of HB432, which relates to homeowners being permitted to "trade" their homes through Alaska Housing Finance Corporation. This would be a great advantage to many of us homeowners who, like myself, purchased smaller-than-comfortable homes during the years prior to 1986 or so, when houses sold for much higher prices than they do currently.

After house prices being sky-high for so many years, when the prices of homes began to drop, we grabbed at the chance to have a home of our own in 1985, at a time when it seemed that prices just couldn't possibly drop any lower. Of course, prices continued to drop, and now today, three-bedroom homes are selling for the price we paid two years ago for a two-bedroom home. This is very frustrating, since with a family of four, two bedrooms in an already small house seem all the smaller when we realize there is no possible way to sell our house for enough to cover the mortgage in order to purchase a roomier three-bedroom. We would be taking a loss of roughly \$20,000, which not many people can afford (ourselves included), leaving of course no hope of being able to purchase another home.

I am sure there must be people in Juneau in more or less the same situation, only being faced with owning a house with too much room (for instance, older couples whose children have grown and left home), who would prefer to own and maintain a smaller house. What better way to solve a lot of homeowners' anguish but to allow some sort of "trade" between AHFC homes? It seems we hear a lot about people just walking away from their homes because of their inability to sell their homes for enough to satisfy the mortgage. What a sad situation for the Alaska Housing people to have to deal with this flood of foreclosed homes, when with a little creativity, a satisfactory solution could be enjoyed by all.

I pray that you will support this bill and press for its soon approval in order that it may be passed this session, without any further delay. Thank you for your time and your consideration of HB432.

Lauren Hulse

Lauren Hulse
P.O. Box 32195
Juneau, Alaska 99803
789-1838

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Judiciary!

3-15-88

4-6-88

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE

DISTRICT ELEVEN • SPENARD

NORTHWOOD • SPENARD • THOMPSON • TURNAGAIN • UPPER MIDTOWN • WINDEMERE

P.O. BOX V, JUNEAU 99811

(907) 465-3892



CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATIONAL
AND SOCIAL SERVICES COMMITTEE

DATE: February 29, 1988
TO: Members of the Judiciary Committee
FROM: Representative Dave Donley *DB*
RE: HB 432 AHFC Trade-up/Trade-down

DESCRIPTION: TOTAL FUND EQUITY

Total fund equity is the difference of Assets and Liabilities of Alaska Housing Finance Corporation. Use of up to 1% of the Total Fund Equity of \$1,521,136 would make available approximately \$15,000,000 for HB 432.

Attached you will find the June 1987, Combining Balance Sheet of All funds available to AHFC.

Combining Balance Sheet — All Funds

Alaska Housing Finance Corporation

June 30, 1987 (In Thousands)

	Revolving Fund			Combined Insurance Fund
	Corporation Operating	General Account	Home Ownership Fund	
Assets				
Cash	\$ 1,481	426	59	—
Investments	8,575	63,362	6,654	31,289
Mortgage loans and mortgage backed securities, net of discounts and allowance for loan losses	13,815	325,278	6,173	—
Mobile home loans, net of allowance for loan losses	5,033	26,744	69,042	—
Accrued interest receivable	134	3,345	681	200
Due from other funds	40,940	50,801	291	—
Real estate owned	—	6,816	102	—
Mobile homes owned	767	4,971	12,568	—
Other assets	945	4,416	—	—
	<u>171,690</u>	<u>496,159</u>	<u>95,570</u>	<u>31,489</u>
Liabilities and Fund Equity				
Liabilities:				
Bonds and notes payable, net of discounts:				
Mortgage bonds and notes	\$ —	—	—	—
Payable to State of Alaska	—	—	—	—
Commercial paper	—	4,973	—	—
Accrued interest payable	—	—	—	—
Insurance fund reserve for loan losses	—	—	—	5,585
Due to other funds	4,959	12,824	3,306	1,885
Accrued expenses and other liabilities	591	3,385	129	—
Total liabilities	<u>5,550</u>	<u>21,182</u>	<u>3,435</u>	<u>7,470</u>
Fund equity:				
Contributed capital:				
Designated as security for outstanding obligations or other purposes allowed within the respective fund	—	129,416	103,381	7,858
Interfund transfers representing loan subsidies and debt collateralization	—	60,574	—	3,900
Total contributed capital	<u>—</u>	<u>189,990</u>	<u>103,381</u>	<u>11,758</u>
Retained earnings (deficit):				
Designated as security for outstanding obligations or other purposes allowed within the respective fund	—	284,987	(11,246)	12,261
Undesignated	66,140	—	—	—
Total fund equity	<u>66,140</u>	<u>474,977</u>	<u>92,135</u>	<u>24,019</u>
Commitments	—	—	—	—
	<u>171,690</u>	<u>496,159</u>	<u>95,570</u>	<u>31,489</u>

Schedule 1

Combined Home Mortgage Bond	Combined State Guaranteed Bond	Combined Medium Term Note and Secured Bond	Combined State Assisted Mortgage Bond	Combined Residential Mortgage Bond	Combined Other Bonds and Notes	Combined
1,585	1,782	1,754	2,152	5	812	10,056
198,222	199,071	294,588	132,999	17,406	304,817	1,256,963
607,922	669,219	376,294	668,618	55,082	1,241,426	3,963,827
—	—	—	—	—	—	100,819
16,076	14,145	4,459	15,435	452	15,747	70,674
288	129	—	786	40	9,847	113,122
46,100	39,288	116	39,272	89	15,057	146,840
—	—	—	—	—	—	18,306
4,286	4,356	1,563	3,128	277	9,171	78,142
<u>874,479</u>	<u>927,990</u>	<u>678,774</u>	<u>862,390</u>	<u>73,351</u>	<u>1,596,877</u>	<u>5,708,769</u>
705,648	812,298	596,374	491,469	65,000	1,306,647	3,977,436
—	—	—	—	—	10,894	10,894
—	—	—	—	—	—	4,973
20,172	6,512	7,827	6,610	2,112	21,976	3,209
—	—	—	—	—	—	5,585
26,070	11,547	5,118	33,157	1,336	12,920	113,122
791	852	671	1,690	70	2,235	10,416
<u>752,681</u>	<u>831,209</u>	<u>609,990</u>	<u>532,926</u>	<u>68,518</u>	<u>1,546,772</u>	<u>4,187,633</u>
127,835	120,312	33,086	419,930	65	91,988	1,033,871
(3,803)	(14,587)	39,598	(81,214)	5,210	(9,678)	—
<u>124,032</u>	<u>105,725</u>	<u>72,684</u>	<u>338,716</u>	<u>5,275</u>	<u>82,310</u>	<u>1,033,871</u>
(2,234)	(8,544)	(3,900)	(9,252)	(442)	159,895	421,125
—	—	—	—	—	—	66,140
<u>121,798</u>	<u>96,781</u>	<u>68,784</u>	<u>329,464</u>	<u>4,833</u>	<u>242,205</u>	<u>1,531,136</u>
<u>874,479</u>	<u>927,990</u>	<u>678,774</u>	<u>862,390</u>	<u>73,351</u>	<u>1,596,877</u>	<u>5,708,769</u>

MAR 10 1988

March 4, 1988
Residential Interest Group for
Housing Trades
1001 Boniface #12J
Anchorage, Alaska 99504
(907) 337-5116

GI
MAR 10 1988

Representative John Sund
Pouch V (MS 3100)
Juneau, Alaska 99811

Re: House Bill 432

Dear Mr. Sund:

The Residential Interest Group for Housing Trades (RIGHT) is an organization comprised of Alaskan residents who presently own either single family or zero-lot line homes, condominiums or mobile homes (homeowners) financed through the Alaska Housing Finance Corporation (AHFC). It is the goal of RIGHT to develop and establish a program through which qualified homeowners may exchange their current residences and mortgages for residences previously foreclosed upon by the AHFC.

In an effort to assist the legislature in establishing a trade program under HB 432, RIGHT has prepared a proposal for the development of a trade program a copy of which is enclosed for your information and review. This document is being submitted to every member of the 15th Alaska Legislature, every mortgage insurer who insures mortgages of the Alaska Housing Finance Corporation as well as the Board of Directors of the Alaska Housing Finance Corporation in hopes of bringing all necessary parties together to establish a trade program.

As the enclosed proposal indicates, development of a trade program is in the best interests of everyone concerned. After reviewing the enclosed proposal, please feel free to contact us regarding any comments or questions you may have.

Very truly yours,

Michael Marting
Michael Marting
Board member,
Residential Interest Group for
Housing Trades

March 2, 1988
Residential Interest Group for
Housing Trades
1001 Boniface #12J
Anchorage, Alaska 99504

Rep. David Donley
Alaska State Legislature
P.O. Box ✓ (MS 3100)
Juneau, Alaska 99811

Re: House Bill 432

Dear Representative Donley:

The Residential Interest Group for Housing Trades (RIGHT) would like to take this opportunity to thank you for sponsoring House Bill 432. As you know, in its current form the bill does not provide a procedural framework through which trades may be realized. It is our understanding that the House Labor and Commerce Committee is currently considering the bill in an attempt to develop such a framework.

In order to assist you in your endeavor, RIGHT has analyzed and developed the following proposal for your consideration. We recognize that we are but one of the three parties involved and therefore urge you to meet with the other participants, Alaska Housing Finance Corporation (AHFC) and the mortgage insurers, in order to obtain successful passage of this legislation.

The downturn in Alaska's economy has caused thousands of residential foreclosures in this state. In 1987 AHFC foreclosures alone increased from the 1986 record of nearly 2,000 to over 3,700 representing an increase of 102%. This trend has continued unabated since 1984. See AHFC foreclosure statistics 1984-1987. This foreclosure rate may be attributed to both economic and non-economic factors.

Initially, many homeowners either lost their jobs or experienced some other decrease in earnings which left them unable to meet their financial obligations. Consequently, many homeowners defaulted on their mortgages. Foreclosures skyrocketed. Today, homeowners continue to default and face ultimate foreclosure due solely to economic reasons.

These initial "economic" foreclosures spawned a wave of "non-economic" foreclosures. As foreclosed residences were resold at depressed market values, homeowners began experiencing a continual decline in their property values to present levels substantially below their mortgage balances. Condominium, zero-lot line and mobile homeowners have been the groups most affected by the declining values. Faced with increasing negative equities, many homeowners have chosen foreclosure to avoid inevitable future losses. Although able to meet their financial obligations this group of homeowners default for "non-economic" reasons.

Nevertheless, many homeowners have not defaulted. Many are not only able to meet their current financial needs but are actually able to qualify for higher priced homes and mortgages. Many families have outgrown their homes. They seek to improve their standard of living but are prevented from doing so by their inability to sell their current residences which is necessary to purchase better housing. Given the likelihood that these homeowners will never again enjoy a positive equity position, there is nothing but a sense of ethics and moral obligation tying them to their loans. Their negative equities and inability to sell even at a loss leaves them not only frustrated and dissatisfied, but with little incentive to continue paying their mortgages. Currently, default is the only option available to improve their situation.

On the other hand, many people who have experienced a decrease in earnings are depleting their cash reserves in an effort to remain current on their mortgages. In many of these cases default will eventually occur. Although there are programs available to assist these homeowners, they provide only temporary relief at best. Moreover, these programs do not improve the homeowners equity position but worsen it thereby creating a yet greater incentive to default. As such, they merely delay the inevitable.

Each foreclosure increases the supply of housing available in the market thereby further decreasing market value. As values decline, more defaults occur and the cycle repeats. As a result, many lenders and mortgage insurers have unwittingly become real estate barons. Their assets have been converted from predominantly cash and securities to real property making them less liquid and less able to meet their cash needs. Additional foreclosures will only further deteriorate their financial positions.

The solution is obvious: decrease the current rate of foreclosures. This objective may be achieved in one of two ways:

1. The market can correct itself naturally without structured intervention by the private or public sectors. However, if current trends continue unchecked, there is little doubt that the market will not be corrected for many years. During this period, AHFC and its insurers will be forced to continue to acquire and maintain foreclosed residential property further depleting their cash reserves.

2. The market can be corrected through the development and implementation of a plan to reverse the trend in foreclosures. It is the objective of the Residential Interest Group for Housing Trades (RIGHT) to assist in developing such a program by allowing homeowners to trade their existing AHFC loans for residences previously foreclosed upon by the AHFC, thus providing more suitable and/or affordable housing for Alaskan homeowners. To develop a solution, we must first analyze the problem.

Whenever a foreclosure occurs three parties are directly affected:

1. the homeowner;
2. AHFC;
3. the mortgage insurance company.

The cost to each party is equal to 100% of its maximum exposure. The homeowners lose their residence and their credit is destroyed. AHFC loses future revenue and earnings in the form of mortgage payments and interest. Since AHFC is nearly 100% insured (see 1987 AHFC Annual Report, p. 4), it is the least impacted by foreclosure. Nevertheless, AHFC suffers its greatest loss with foreclosure.

It is the mortgage insurer that bears the greatest loss in terms of actual dollars. The insurer's policy limits are exceeded because of the low resale price. Accordingly, the insurer pays 100% of its maximum exposure on the property and now must also pay for upkeep of the residence if it obtains title. If not, resale and upkeep costs fall upon AHFC. In short, everyone loses everything in a foreclosure situation.

RIGHT envisions a situation wherein everyone wins a little. A typical trade would occur as follows:

1. The homeowner selects a residence for purchase from AHFC inventory. He then buys down his existing mortgage by paying to AHFC an amount equal to a percentage of the negative equity thus lowering the balance of that AHFC loan. He would then purchase the new home at its current market price financed through AHFC at 100% of its value;

2. The mortgage insurer would also buy down the mortgage by paying to AHFC an amount equal to a percentage of the maximum amount of its exposure had a foreclosure occurred. In exchange, AHFC would tender a policy release on that loan;

3. AHFC would then own the original property and be at liberty to dispose of it in a variety of ways. It could either sell the property or rent it as low income housing thus replacing the current blighted low income housing.

By adopting such a program everyone would benefit. The homeowner would be able to obtain, for a price, a better or more affordable home. His incentive to default produced by his current negative equity or financial distress would be eliminated.

The insurer has cut its losses from 100% to whatever percentage it agrees to pay for AHFC's policy release. Assuming the property purchased was from the insurer's inventory, the insurer has now sold to the homeowner one of its properties previously foreclosed upon. Since it has acquired no additional property in the trade, it has decreased its inventory and associated costs by one. Finally, trades will substantially decrease the number of foreclosures thus decreasing the potential for future losses.

AHFC directly benefits by the influx of cash from the homeowner and the insurer in "buying down" the mortgage. Moreover, such a program benefits AHFC by substantially decreasing future foreclosures. Although, arguably, AHFC may end up with less marketable property, this same result would occur were foreclosures to continue at current levels. The difference, however, is that in a trade situation AHFC receives cash at the time of repossession. In a foreclosure, AHFC receives nothing absent judgment and successful execution. Moreover, AHFC will be taking back a loan while at the same time financing a new one whenever a trade occurs thereby maintaining a steady cash flow which is not present in a foreclosure situation.

Although AHFC will accumulate an inventory of less desirable housing in the form of condominiums and mobile homes when low cost property is traded for higher priced residences, title to these dwellings will vest in one owner - AHFC. As a governmental agency, ultimate ownership by AHFC is more desirable than ownership by private mortgage insurers which usually occurs in a foreclosure. Unlike private enterprise, the government, through AHFC, is in a better position and has greater incentive to dispose of the property in such a way as will benefit the public good. Accordingly, the trade program could be utilized in conjunction with a program developed to dispose of the lower cost housing either through resale or rental as public housing or through demolition and removal (mobile homes) for resale in a more viable market.

Two factors must be kept in mind in structuring this program:

1. Costs - closing costs and realtor fees must be streamlined and reduced. For example, realtor commissions could be lowered from 6% through a competitive bidding process. Bank fees could be eliminated by direct financing through AHFC.

2. Homeowner costs - to make the program viable, the buy down payment required must be affordable. Further, should a party be unable to produce all of the buy down payment, alternative financing must be available. Perhaps a second deed of trust equal to the unpaid balance of the buy down payment could be taken out on the new home purchased through AHFC. Homeowners trading down could pay zero down, with their buy down cost transferred to the new loan.


In conclusion, RIGHT recognizes that the cost of improving the residential market should not be borne by any one group. Under current conditions the burden is placed solely upon the individual homeowner. As the foreclosure rate indicates, the homeowner is unwilling to accept this burden and it is ultimately AHFC and the mortgage insurers who must bear the loss. RIGHT offers a program through which all parties assume a share of the costs in exchange for a lessening of their burden.

Contrary to some beliefs, legislation is necessary to enable AHFC to effectuate a trade as no statute or regulation exists authorizing such activity by AHFC. In order to establish a trade program, the legislature must take steps

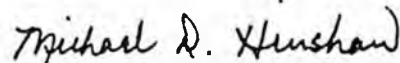
to obtain the attendance of all necessary parties at the bargaining table. This can best be achieved by the legislative appointment of a panel consisting of realtors, financial experts and representatives from AHFC, the mortgage insurance companies and the homeowners. We urge you to appoint a panel to review and develop a plan consistent with this proposal. Immediate action is necessary in order to obtain passage of this important piece of legislation during this session.

Again, thank you for your efforts in this matter. If you have any questions or wish to discuss this proposal in further detail, please do not hesitate to contact us.

Very truly yours,



Trena L. Heikes
Co-chairman,
Residential Interest Group for
Housing Trades



Michael Hinshaw
Co-chairman,
Residential Interest Group for
Housing Trades

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/4/88

FURTHER REFERRALS: Finance

DATE: March 6, 1988

The Judiciary Committee has considered HB 432

"An Act authorizing the Alaska Housing Finance Corporation to accept trades in certain cases; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 432 (Jud) the same title
 attached amendment(s) a new title
- do pass
 do not pass
 no recommendation
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
 zero fiscal note same as previous zero fiscal note published _____
 zero with analysis

SIGNING DO PASS:

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature] (No Rec)

[Signature]
Chairman's signature

Original sponsors: Donley, Ellis,
Boucher, et al.

1 IN THE HOUSE BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 432 (L&C)
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29 (d) The Alaska Housing Finance Corporation, the mortgage insurers,

STATE OF ALASKA
DEPARTMENT OF REVENUE

HM 2/11/88

M E M O R A N D U M

TO: Judy Fleming
Office of the Governor

FROM: Milt Barker *MB*
Deputy Commissioner
Treasury Division

DATE: February 11, 1988

RE: HB 432, HB 433, and Draft SCR Regarding State Agency
Loans

I have the following comments on the following legislation:

HB 432

1. This is not needed for AHFC to do trades; it should be framed as a resolution encouraging trades.
2. Trades are desirable, provided they do not permit or encourage the borrower to walk on any negative equity (mortgage balance in excess of property value); AHFC's current plans are to add this negative equity to the new mortgage obligation. Sections 1(b) and (c) of the bill appear to sanction forgiveness of negative equity.
3. Section 1(b) should not mandate "rates that are more within the ability of the mortgagors." This creates conflicts, confusion, and practical problems with other statutory provisions specifying rates on loans. The element of rates is not integral to the trade concept.

HB 433

1. What does the AG think about the Constitutionality of this bill?
2. What workload effect will there be on the courts?
3. The bill appears to grant possession (and possibly redemption rights) for an extended period regardless of any court order.

FISCAL NOTE

REQUEST:

Revision Date:
Title: An Act authorizing AhFC to accept
trades in certain cases; effective date
Sponsor: Rep. Lonley, et al
Requestor: house Judiciary

Agency Affected: Revenue
Bkl: AhFC
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
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)

Impact undeterminable (see attached memo)

Prepared By: AhFC
Division: Alaska Housing Finance Corporation
Approved by Commissioner: Hugh Malone
Agency: Department of Revenue
Phone: 276-5599
Date: 4/6/88
Date: 465-2300

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

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/3/88

FURTHER REFERRALS: Judiciary
Finance

DATE: 2/23/88

The Labor & Commerce Committee has considered HB 432

"An Act authorizing the Alaska Housing Finance Corporation to accept trades in certain cases; and providing for an effective date."

RECOMMENDS:

- replace with CSHB 432 (L+C) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

David Ouley
Ellis
Bob Bricker
Grant Munn
Wfurnace
Cliff D...
John Koyona

SIGNING OTHER RECOMMENDATIONS:

David Ouley
 Chairman's signature

FISCAL NOTE

REQUEST: _____

Revision Date: _____
Title: An Act authorizing AhFC to accept trades in certain cases; effective date
Sponsor: Rep. Donley, et al
Requestor: House Labor & Commerce

Agency Affected: Revenue
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
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)

Impact undeterminable (see attached memo)

Prepared By: AhFC Phone: 276-5599
Division: Alaska Housing Finance Corporation Date: 02/16/88

Approved by Commissioner: hugh Malone Date: 02/16/88
Agency: Department of Revenue

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
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- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

David Donly
Ellis
Paula Bush
W. Furnace
Cliff D...
Alto K...

SIGNING OTHER RECOMMENDATIONS:

David Donly
 Chairman's signature