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STATE OF ALASKA
1989 LEGISLATIVE SESSION

Bill Version: SB 162
Publish Date: 2/6/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Revenue
 Title: An Act reviving the simplified BRU: Alaska Housing Finance Corporation
refinancing mortgage loan purchase program
 Sponsor: Rules Committee
 Requestor: Governor Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page for analysis.

Prepared By: Margaret Nelson
 Division: Alaska Housing Finance Corporation

Phone: 564-9321
 Date: February 1, 1989

Approved by Commissioner: [Signature]
 Agency: Department of Revenue

Date: 2/3/89

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

Changes in the CS (Fin) have no fiscal effect. This fiscal note is appropriate.
 SFC: 5/6/89

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 6, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill reviving the simplified refinancing mortgage purchase program of the Alaska Housing Finance Corporation (AHFC). This bill would revive, unchanged, and continue in effect, a program that provides statutory authority for the second phase of the home ownership assistance program, commonly known as HOAP II.

When the simplified refinance program was enacted in 1987, the legislature limited the effective period of the program to 18 months. Sec. 9, ch. 41, SLA 1987. However, because of the rapid implementation of HOAP II, AHFC was unable to request an extension of AS 18.56.102 during the final session of the Fifteenth Alaska State Legislature. Therefore, the section was repealed in December 1988.

I urge your prompt and favorable action on this bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Cowper".

Steve Cowper
Governor

Governor's Letter



520 East 34th St.
Anchorage, AK 99503
(907) 561-1900
P.O. Box 101020
Anchorage, AK 99510

TO: Tom Behan
Chief Executive Officer/
Executive Director

FROM: Margaret Nelson
Special Assistant *M. Nelson* Public Information Officer

RE: SB 162

April 26, 1989

For 18 months in 1987 and 1988, AHFC had authority to do simplified refinancing of AHFC loans. With that authority AHFC was able to operate the Home Owners' Assistance Program. That program ended in 1988. The results as of April 19, 1989, are as follows:

Total Loans Approved: 7,236 \$722.6 million
329 remaining to close

Average savings per borrower: \$170 per month
Total savings all borrowers: \$1.1 million per month
(This money is available for spending elsewhere in the economy.)

Preliminary figures indicate that under HOAP, AHFC saved 1,619 Alaskan households from foreclosure resulting in a possible savings of \$64.8 million to investors (Fannie Mae, MGIC and AHFC) assuming an average loss of \$40,000 each if they had gone to foreclosure.

If SB 162 is approved, AHFC could continue to offer savings to Alaskan homeowners and investors as the opportunities arise.