

**HB**

**291**

<target><bill>HB 291</bill><subject>HB  
291</subject><comm>HMLV26</comm></target>



Headquarters  
4300 Boniface Parkway  
Anchorage, Alaska 99504  
(907) 338-6100

Mailing Address  
P.O. Box 101020  
Anchorage, AK 99510-1020

Internet Web Site  
<http://www.ahfc.state.ak.us>

---

## MEMORANDUM

Date: January 21, 2010

To: Representative Carl Gatto, Chair  
House Special Committee on Military and Veterans' Affairs

From: Dan Fauske, Executive Director/CEO  
Alaska Housing Finance Corporation

Re: HB 291, AHFC Vets Bond Bill

---

This is a request for the scheduling of House Bill 291, An Act relating to the issuance of state-guaranteed revenue bonds by the Alaska Housing Finance Corporation to finance mortgages for qualifying veterans; and providing for an effective date.

HB 291 will put on the general election 2010 ballot a question for voters on whether or not to approve having AHFC issue up to \$600 million in bonds to fund the Alaska Veterans Mortgage Loan Program.

Alaska is one of five states in the country that has a veterans mortgage loan program. This program requires the general obligation of the state of Alaska to back the bonds sold to fund the program. Over the years the vets program has been very successful, having one of the lowest foreclosure rates of any of AHFC's programs.

The last time this question was on the general election ballot was 2002, when over seventy percent of voters approved \$500 million in bonds for the program.

Due to recent positive changes that the five states were able to get through Congress, there are now more veterans eligible for the program than past years. As a result, the Corporation



"HOUSING FOR ALASKANS"



estimates that we may run out of funds for the program some time in 2011. As a result, a vote will be needed this year to make sure that the program doesn't have to be shut down.

I would appreciate the scheduling of HB 291 in the House Special Committee on Military and Veterans' Affairs at your earliest possible convenience. If you have any questions or need any further information about the bill, please contact Bryan Butcher in my office at 330-8445.



Headquarters  
4300 Boniface Parkway  
Anchorage, Alaska 99504  
(907) 338-6100

Mailing Address  
P.O. Box 101020  
Anchorage, AK 99510-1020

Internet Web Site  
<http://www.ahfc.state.ak.us>

## HB 291 AHFC Vets Bonds Sponsor Statement

House Bill 291 will place a question on the ballot for the general election of 2010 asking voters to approve an additional \$600 million of state guaranteed bonds to be issued by the Alaska Housing Finance Corporation for the purchase of mortgage loans made to qualifying veterans. The Veterans Mortgage Loan Program allows the Alaska Housing Finance Corporation to sell tax-exempt bonds to fund the program. Because of this, the Veterans Mortgage Loan Program generally offers a lower interest rate than the conventional single family mortgage loan program. As of December 23, 2009, the Veterans program interest rate was 3/8 of a percent below the Corporation's conventional taxable mortgage loan program.

To qualify, veterans must apply to AHFC within 25 years of his/her date of discharge from "active duty service." (Active duty service is full-time duty, other than for training.) Active duty service in the US Armed Forces, US Armed Forces Reserves, Public Health Service, NOAA, or service as a cadet at the US Military, Air Force, Coast Guard or Naval Academy may meet requirements.

Qualified veterans may be retired or active duty personnel. If retired, discharged, or released from active duty, separation must have been under conditions other than dishonorable. Active duty personnel must have completed their initial military obligation.

The last time veterans bonds were on the general election ballot was 2002, when Alaskans approved the bonds by over seventy percent. As a result of recent passed legislation in Congress, Alaska along with the states of California, Oregon, Texas and Wisconsin have been able to offer more loans to veterans through the program than the previous years. Because of this, it is estimated that the Corporation could run out of bond authorization for the veterans loan program some time in 2011. This is the reason for the urgency of getting the issue to the ballot in 2010.



"HOUSING FOR ALASKANS"



# FISCAL NOTE

**STATE OF ALASKA**  
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 291  
 (H) Publish Date: 1/19/10

Identifier (file name): 0879-OOG-DOE-12-18-09 Dept. Affected: OOG  
 Title: "An Act relating to the issuance of state-guaranteed revenue bonds by the Alaska Housing Finance Corporation..." RDU: Elections  
 Component: Elections  
 Sponsor: Rules Committee  
 Requester: Governor Sean Parnell Component Number: 21

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual		1.5						
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>0.0</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
-----------------------------	--	--	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>								
-------------------------------	--	--	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF		1.5						
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>		<b>0.0</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2010) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**ANALYSIS:** (Attach a separate page if necessary)  
 The passage of this legislation would require the bonding proposition to appear on the 2010 general election ballot. The cost of providing information about the bonding proposition in the Official Election Pamphlet, as required by AS 15.58 is \$1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to \$22.0.

Prepared by: Gail Fenumiai, Director Phone 465-2644  
 Division: Elections Date/Time 12/18/2009, 1:42pm  
 Approved by: Linda Perez, Director Date \_\_\_\_\_  
Administrative Services Division

## **Karen Sawyer**

---

**From:** Bryan Butcher [bbutcher@ahfc.state.ak.us]  
**Sent:** Wednesday, January 27, 2010 2:32 PM  
**To:** Karen Sawyer  
**Subject:** RE: HB 291 Scheduling Request

**Categories:** MVA

Karen,

We do not have any letters of support. I can get you some info on the program however. Alaska has the lowest delinquencies of any other Vet's loan program at 1.28 percent.

Testifying on the bill will be:

Bryan Butcher, Director of Governmental Relations and Public Affairs

Joe Dubler, Chief Financial Officer/Finance Director

We will be here in person and if the bill is up in the next two weeks, our Chief Executive Officer Dan Fauske would also be available to testify in person.

I am the legislative contact and my office number is 330-8445. My cell number is 360-9859 and that is a better one to contact me on when I'm in Juneau.

I don't have the actual letter to the Speaker from the Governor's office here in Juneau (It's in Anchorage) but I'll try to track one down from the Governor's office.

Thanks,

Bryan Butcher

Alaska Housing Finance Corporation

---

**From:** Karen Sawyer [mailto:Karen\_Sawyer@legis.state.ak.us]  
**Sent:** Tuesday, January 26, 2010 4:28 PM  
**To:** Bryan Butcher  
**Subject:** RE: HB 291 Scheduling Request

Hi Bryan,

Thanks for sending the hearing request for HB291. Do you have any support letters or background documentation to add to the packet? Could you send me an e-copy of the Governor's letter to the House Speaker? Remember to send each type of document in a separate e-file --- support letters together, background docs together, etc.

I also need to know who is actually presenting the bill, who the legislative staff contact is and their phone number. Will you be testifying in person or by teleconference? Do you have a preference regarding when you want it scheduled if you are testifying in person?

*Karen*

Karen Sawyer, Staff  
Office of Representative Carl Gatto  
State Capitol, Room 103  
Juneau AK 99801

465-5025 direct  
465-3743 main  
465-2331 fax  
[Karen.Sawyer@legis.state.ak.us](mailto:Karen.Sawyer@legis.state.ak.us)

---

**From:** Bryan Butcher [mailto:[bbutcher@ahfc.state.ak.us](mailto:bbutcher@ahfc.state.ak.us)]  
**Sent:** Thursday, January 21, 2010 12:03 PM  
**To:** Karen Sawyer; Rep. Carl Gatto  
**Subject:** HB 291 Scheduling Request

Representative Gatto and Ms. Sawyer,

Attached are a hearing request for HB 291, the AHFC Vets Bond bill that is in the House Special Committee on Military and Veterans' Affairs as well as a sponsor statement.

Please contact me if you have any questions or need any additional information.

Thanks,

Bryan Butcher, Director

Governmental Relations/Public Affairs

Alaska Housing Finance Corporation

330-8445

360-9859 cell

## Karen Sawyer

---

**From:** Bryan Butcher [bbutcher@ahfc.state.ak.us]  
**Sent:** Friday, January 29, 2010 10:58 AM  
**To:** Karen Sawyer  
**Subject:** RE: Military & Veterans Affairs Committee Schedule for February 1-5, 2010

Testifying here in Juneau will be:

Dan Fauske, CEO/Executive Director  
Bryan Butcher, Director of Governmental Relations/Public Affairs  
Joe Dubler, CFO/Director of Finance

We would like to have our Residential Lending Officer Laurie Holte call in just in case there are detailed questions.

Thanks,  
Bryan

---

**From:** Karen Sawyer [mailto:Karen\_Sawyer@legis.state.ak.us]  
**Sent:** Thursday, January 28, 2010 1:32 PM  
**Subject:** Military & Veterans Affairs Committee Schedule for February 1-5, 2010

Hi,

Your bill is scheduled for a hearing next week on Tuesday, February 2<sup>nd</sup>. Please let me know if you will have anyone testifying by teleconference. Thanks.

*Karen*

Karen Sawyer, Staff  
Office of Representative Carl Gatto  
State Capitol, Room 108  
Juneau AK 99801

465-5025 direct  
465-3743 main  
465-2381 fax  
[Karen.Sawyer@legis.state.ak.us](mailto:Karen.Sawyer@legis.state.ak.us)

