

LEG. FINANCE - BILLS 1979 - 1980 1231

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1 the sinking fund payments with respect to those bonds; (2) the purchase
2 or redemption of the bonds; or (3) the payment of a redemption premium
3 required to be paid when the bonds are redeemed before maturity. How-
4 ever, money in a capital reserve fund may not be withdrawn if the with-
5 drawal would reduce the amount in the capital reserve fund to less than
6 the capital reserve requirement, except for the purpose of making pay-
7 ment, when due, of principal, interest, redemption premiums on the
8 bonds, and sinking fund payments when other money of the authority is
9 not available for the payments. Income or interest earned by, or in-
10 crement to, a capital reserve fund, from the investment of all or part
11 of the fund, may be transferred by the authority to other funds or
12 accounts of the authority if the transfer does not reduce the amount of
13 the capital reserve fund below the capital reserve fund requirement.

14 (b) If the authority decides to issue bonds secured by a capital
15 reserve fund, the bonds may not be issued if the amount in the capital
16 reserve fund is less than the capital reserve fund requirement, unless
17 the authority, at the time of issuance of the bonds, deposits in the
18 capital reserve fund from the proceeds of the bonds to be issued or from
19 other sources, an amount which, together with the amount then in the
20 fund, is not less than the capital reserve fund requirement.

21 (c) In computing the amount of a capital reserve fund for the
22 purpose of this section, securities in which all or a portion of the
23 fund is invested shall be valued by a reasonable method established by
24 the authority by resolution. Valuation shall include the amount of
25 interest earned or accrued as of the date of the valuation.

26 (d) The chairman of the authority shall annually, no later than
27 January 2, certify in writing to the governor and the legislature the
28 amount, if any, required to restore a capital reserve fund to the capi-
29 tal reserve fund requirement. The legislature may appropriate to the

1 authorit, the amount certified by the chairman of the authority. The
2 authority shall deposit the amounts appropriated under this subsection
3 during a fiscal year in the proper capital reserve fund. Nothing in
4 this section creates a debt or liability of the state.

5 (e) In this section, "capital reserve fund requirement" means the
6 amount required to be on deposit in the capital reserve fund as of the
7 date of computation as determined by resolution of the authority.

8 * Sec. 57. AS 44.61 is amended by adding new sections to article 3 to
9 read:

10 Sec. 44.61.155. ENTERPRISE DEVELOPMENT FUND. (a) There is estab-
11 lished in the authority the enterprise development fund. The enterprise
12 development fund is a trust fund for the uses and purposes of this
13 chapter. Money may be paid into and out of the enterprise development
14 fund only as provided in this chapter. The enterprise development fund
15 may be composed of money or assets appropriated or transferred to the
16 authority, interest on investments and loans of the enterprise develop-
17 ment fund, and other money deposited in it by the authority.

18 (b) The authority shall establish within the enterprise develop-
19 ment fund a loan insurance account, a small business, tourism, mining,
20 and commercial fishing enterprises loan account and other accounts it
21 considers appropriate. Amounts in the enterprise development fund shall
22 be held and invested by the authority in investments authorized under AS
23 37.10.070(a)(1) - (6) or as may be authorized in agreements with bond-
24 holders respecting amounts in the loan insurance account, the small
25 business, tourism, mining, and commercial fishing enterprises loan
26 account, and other accounts within the enterprise development fund.

27 (c) Money realized from the payment of principal or interest on
28 loans held in the enterprise development fund may be held and invested
29 by the authority in investments authorized under AS 37.10.070(a)(1) -

1 (6) and may be used for other purposes only if appropriated by the
2 legislature for those purposes.

3 Sec. 44.61.157. LOAN INSURANCE AND LOAN INSURANCE ACCOUNT. (a)

4 The purpose of the loan insurance account is to provide insurance of
5 mortgage loans and other loans made or purchased by the authority, or
6 made by others and approved for insurance by the authority, for a pro-
7 ject. The authority may enter into agreements as to the use of money in
8 the loan insurance account and may pledge, assign, or grant interests in
9 the loan insurance account as provided in this section. The authority
10 may adopt regulations and enter into agreements with respect to the
11 exercise of any power or approval relating to the loan insurance account
12 under this section, including, without limitation, agreements as to the
13 use of money in the loan insurance account, agreements with respect to
14 the terms and conditions upon which payments from the loan insurance
15 account will be made with respect to a loan insured under this section,
16 agreements as to separate subaccounts in the loan insurance account for
17 different categories of loans or as to loans made by the authority or
18 any other person, and agreements regarding the payment of and security
19 for bonds issued by the authority. An agreement, the rights of the
20 authority under an agreement, or payments received or to be received
21 under an agreement may be pledged or assigned by the authority for the
22 benefit of the holders of bonds issued by the authority.

23 (b) The authority may, upon application of a borrower or proposed
24 borrower, insure and make advance commitments to insure loan repayments
25 required under the terms of a loan made by it or by another lender with
26 respect to a project, upon the terms and conditions the authority pre-
27 scribes. To be eligible for insurance under this chapter, a loan for a
28 project

29 (1) shall be held by the authority or by a lender approved by

1 the authority as responsible and able to service the loan;

2 (2) may not exceed \$10,000,000 for a project, or 90 percent
3 of the cost of the project or 90 percent of the appraised value of the
4 project, whichever is less;

5 (3) may not be made for a term longer than three-quarters of
6 the authority's estimate of the life of the project or 25 years from the
7 date of issuance of the insurance, whichever is earlier;

8 (4) shall contain complete amortization provisions satis-
9 factory to the authority requiring periodic payments by the borrower;
10 and

11 (5) shall be in the form and contain the terms with respect
12 to insurance, repairs, alterations, payment of taxes and assessments,
13 default reserves, delinquency charges, default remedies, acceleration of
14 maturity, additional and secondary liens, and other matters that the
15 authority prescribes.

16 (c) In addition to other fees which the authority may charge on
17 loans, the authority may collect or cause to be collected on loans
18 insured under this section, either a loan insurance commitment fee or a
19 loan insurance premium or both. Loan insurance fees and loan insurance
20 premiums are not required to be uniform among the various loans insured.
21 Loan insurance commitment fees and loan insurance premiums shall be
22 deposited in the insurance account by the loan servicer, trustee, or
23 agent designated by the authority to receive them.

24 (d) If, at any time after receipt by the authority of a payment
25 from the loan insurance account with respect to a loan, the authority
26 recovers an amount on the loan or portion of it from a source other than
27 the loan insurance account, the authority shall apply the amount re-
28 covered in the following order: first, to repay the general fund of the
29 state for appropriations made under (g) of this section, and second, to

1 repay the loan insurance account.

2 (e) Loans may be insured only when the amount either in the loan
3 insurance account insuring the loans or a subaccount in the loan in-
4 surance account insuring the loans, as a percentage of the sum of the
5 loans to be insured and all unpaid principal on loans insured by the
6 loan insurance account or the subaccount, equals or exceeds the fund re-
7 quirement. The fund requirement is calculated as a percentage which the
8 authority determines is actuarially sound for operation of the loan
9 account or a subaccount.

10 (f) When the authority determines what is "actuarially sound" with
11 respect to the operation of the loan insurance account or a subaccount
12 in the loan insurance account, it shall consider means of providing
13 sufficient revenue for the operation of the account or subaccount,
14 without regard to amounts which may have been or may, after the date of
15 determination of actuarial soundness, be appropriated under (g) of this
16 section. The authority shall also consider factors including, without
17 limitation, estimates of future defaults and losses of loans insured
18 under this section based on actual default and loss experience on those
19 loans or on similar loans in the state or elsewhere, estimates of re-
20 coveries on defaulted or foreclosed loans based on actual default and
21 foreclosure experience on those loans or similar loans in the state or
22 elsewhere, the terms and conditions of the loans insured under this
23 section, estimates of earnings and income of amounts on deposit in the
24 loan insurance account, and other appropriate factors.

25 (g) On December 1 of each year the authority shall determine the
26 amount on deposit in the loan insurance account and in each subaccount
27 in the loan insurance account. If the amount in the loan insurance
28 account or the amount in a subaccount in the loan insurance account is
29 less than the fund requirement for the account or for the subaccount,

1 the authority shall transfer the amount necessary to restore the loan
2 insurance account or the subaccount to the fund requirement. The trans-
3 fer shall be made from available money which is not encumbered or re-
4 stricted for other use under the terms of contracts with bondholders or
5 others. If sufficient money is not available for transfer, the chairman
6 of the authority shall, no later than January 2 of the following year,
7 certify in writing to the governor and to the legislature the amount, if
8 any, required to restore the account or a subaccount to the fund require-
9 ment. The legislature may appropriate the amount certified and the
10 authority shall deposit in the account or proper subaccount the amounts
11 appropriated by the legislature for the purposes of this subsection
12 during the then current state fiscal year. Nothing in this subsection
13 creates a debt or liability of the state.

14 (h) A contract of insurance executed by the authority under this
15 section is conclusive evidence of eligibility for the insurance. The
16 validity of a contract of insurance executed by the authority or of an
17 advance commitment to insure is incontestable from the date of the
18 execution of the contract or commitment, except for fraud or misrepre-
19 sentation on the part of the insured or, as to commitments to insure,
20 noncompliance with the terms of the advance commitment or authority
21 regulations in force at the time of issuance of the advance commitment.

22 (i) In this section:

23 (1) "loan insurance commitment fee" means a fee which is a
24 percentage of the principal amount of a loan to be insured under this
25 section determined by the authority to be actuarially sound for the
26 operation of the loan insurance account;

27 (2) "loan insurance premium" means an annual insurance pre-
28 mium which is a percentage of the portion of the unpaid principal amount
29 of a loan insured under this section determined by the authority to be

1 actuarially sound for the operation of the loan insurance account or any
2 subaccount.

3 Sec. 44.61.158. SMALL BUSINESS, TOURISM, MINING, AND COMMERCIAL
4 FISHING ENTERPRISES LOAN ACCOUNT. (a) The authority may use the assets
5 of the small business, tourism, mining, and commercial fishing enter-
6 prises loan account to purchase loans made by others to small business
7 enterprises, tourism enterprises, mining enterprises, and commercial
8 fishing enterprises to pay the costs of projects, as defined in AS 44.-
9 61.220, which are not eligible to be financed with the proceeds of bonds
10 of the authority the interest on which is exempt from federal income tax.

11 (b) The interest rate on a loan purchased with money in the small
12 business, tourism, mining, and commercial fishing enterprises loan
13 account must equal the interest rate which the authority estimates would
14 be payable on bonds issued by the authority to provide money to make the
15 loan.

16 (c) A loan purchased with money in the small business, tourism,
17 mining, and commercial fishing enterprises loan account

18 (1) may not exceed

19 (A) \$6,000,000 if the loan is made to a tourism enter-
20 prise;

21 (B) \$1,000,000 if the loan is made to a mining enterprise
22 or to a small business enterprise that is not a tourism enterprise
23 or a commercial fishing enterprise; or

24 (C) \$500,000 for each individual commercial fisherman in
25 the commercial fishing enterprise if the loan is made to a commer-
26 cial fishing enterprise;

27 (2) may not exceed 90 percent of the cost of the project or
28 90 percent of the appraised value of the project, whichever is less;

29 (3) may not be made for a term longer than three-quarters of

1 the authority's estimate of the life of the project or 25 years from the
2 date the loan is made, whichever is earlier;

3 (4) shall contain complete amortization provisions satis-
4 factory to the authority requiring periodic payments by the borrower;

5 (5) shall be in the form and contain the terms and provisions
6 with respect to insurance, repairs, alterations, payment of taxes and
7 assessments, default reserves, delinquency charges, default remedies,
8 acceleration of maturity, secondary liens and other matters the autho-
9 rity prescribes; and

10 (6) shall be secured as to repayment by a mortgage or other
11 security instrument in the manner the authority determines is feasible
12 to assure timely repayment under a loan agreement entered into with the
13 borrower.

14 (d) The authority may adopt regulations for the administration of
15 the small business, tourism, mining, and commercial fishing enterprises
16 loan account which may include, without limitation, provisions for fees
17 and agreements relating to application, loan commitment, servicing, and
18 origination of loans by other lenders.

19 (e) The authority may enter into agreements as to the use of the
20 money in the small business, tourism, mining, and commercial fishing
21 enterprises loan account, including without limitation, trust or custody
22 arrangements with banks or trust companies. It may also pledge, assign,
23 or grant the agreement, interests under an agreement, or interests in
24 the small business, tourism, mining, and commercial fishing enterprises
25 loan account as may be necessary or appropriate to provide for payment
26 and security for bonds of the authority.

27 * Sec. 58. AS 44.61.160 is amended to read:

28 Sec. 44.61.160. FINDINGS OF THE AUTHORITY. Before entering into a
29 lease or other agreement as provided in AS 44.61.090(e) regarding a

1 project for which bonds are agreed to be issued by the authority in an
2 amount in excess of \$6,000,000, or before approving insurance or a
3 commitment to insure a loan as provided in AS 44.61.157(b) with a prin-
4 cipal amount in excess of \$6,000,000, [AS MENTIONED IN AS 44.61.090(e)]
5 there must have been filed with the authority a certified copy of a
6 resolution of the governing body of the political subdivision of the
7 state, if any, in which the project is to be located, consenting to the
8 location (which consent need only refer to the general nature of the
9 project ultimately to be acquired as set out in a request of the pro-
10 posed project occupant). Before entering into a lease or other agree-
11 ment as provided in AS 44.61.090(e) regarding a project, [AND] the
12 authority must find, on the basis of all information reasonably available
13 to it, that

14 (1) the project and its development under this chapter will
15 be economically advantageous to the state and the general public welfare
16 and will contribute to the economic growth of the state;

17 (2) the project occupant is financially responsible; and

18 (3) provision to meet increased demand upon public facilities
19 that might result from the project is reasonably assured;

20 (4) the project will provide or retain employment reasonably
21 related to the amount of the financing by the authority considering the
22 amount of investment per employee for comparable facilities and other
23 relevant factors;

24 (5) the scope of the project is sufficient to provide a rea-
25 sonable expectation of a benefit to the economy of the state.

26 * Sec. 59. AS 44.61.190(a) is amended to read:

27 (a) The authority shall not be considered or constitute (1) a
28 political subdivision of the state as the term is used in AS 37.10.085,
29 (2) a municipal corporation or political subdivision of the state as the

1 terms are used in AS 29, or (3) except as provided in AS 44.61.205, a
2 state agency as the term is used in AS 37, but for all other purposes
3 the authority constitutes a political subdivision and an instrumentality
4 of the state as provided in this chapter.

5 * Sec. 60. AS 44.61 is amended by adding a new section to read:

6 Sec. 44.61.205. OPERATING BUDGET. For fiscal years beginning
7 after June 30, 1981, the operating budget of the authority is subject to
8 the Executive Budget Act (AS 37.07).

9 * Sec. 61. AS 44.61.210 is repealed and re-enacted to read:

10 Sec. 44.61.210. REPORTS AND PUBLICATIONS. (a) By January 10 of
11 each year, the authority shall publish a report for distribution to the
12 governor, legislature, and the public. The report shall be written in
13 easily understandable language. The report shall include a financial
14 statement audited by an independent outside auditor, a statement of the
15 authority's investments under this chapter including an appraisal of the
16 investments at market value, a comparison of the authority's performance
17 with the goals of the authority and the levels of bonding and investment
18 activities anticipated in the previous year's report under (b) of this
19 section, and any other information the members of the authority believe
20 would be of interest to the governor, the legislature, and the public.
21 The annual income statement and balance sheet of the authority shall be
22 published in at least one newspaper in each judicial district. The
23 authority may also publish other reports it considers desirable to carry
24 out its purpose.

25 (b) The authority shall include in its annual report under (a) of
26 this section

27 (1) an estimate of the investment activity of the authority
28 under this chapter for the following 12-month period; and

29 (2) an estimate of the amount of bonds to be issued for the

1 investments.

2 * Sec. 62. AS 44.61.220 is amended to read:

3 Sec. 44.61.220. DEFINITIONS. In this chapter

4 (1) "authority" means the Alaska Industrial Development
5 Authority created by this chapter;

6 (2) "business enterprise" means a single proprietorship,
7 corporation, firm, partnership, or other association of persons or-
8 ganized in any manner, which is not organized on a nonprofit basis [OR A
9 SINGLE PROPRIETORSHIP];

10 (3) "federal agency" means the United States and any officer,
11 department, agency or instrumentality of the United States;

12 (4) "governing body of a political subdivision" means, when
13 used with respect to the location of a project, the council of a city if
14 the project is to be located in a city in the unorganized borough, or
15 the [BOROUGH] assembly if the project is to be located in an organized
16 borough or a unified municipality;

17 (5) "project" includes ["INDUSTRIAL PLANT" OR "MANUFACTURING
18 PLANT" MEANS]

19 (A) a plant or facility used or intended for use in
20 connection with making, processing, preparing, or producing in any
21 manner, goods, products or substances of any kind or nature or in
22 connection with developing or utilizing a natural resource, or
23 extracting, smelting, transporting, converting, assembling or
24 producing in any manner, minerals, raw materials, chemicals, com-
25 pounds, alloys, fibers, commodities and materials, products or
26 substances of any kind or nature, any plant or facility used or
27 intended for use as an industrial park or in connection with air
28 and water transportation, or any plant or facility for the preven-
29 tion, limitation or control of air or water pollution, for the

1 disposal of sewage or solid waste, [OR] for the local furnishing
2 of [ELECTRIC ENERGY OR, gas, or for the furnishing of water;

3 (B) a small business enterprise, tourism enterprise,
4 mining enterprise, and commercial fishing enterprise as defined in
5 (12), (13), (14), and (15) of this section;

6 (6) "plant" or "facility" means real property, whether above
7 or below mean high water, or an interest in it, and the buildings,
8 improvements and structures constructed or to be constructed on or in
9 it, [WHETHER ABOVE, AT OR BELOW GROUND OR WATER LEVEL,] and may include
10 fixtures, machinery, and equipment on it or in it, and tangible personal
11 property, regardless of whether the tangible personal property is at-
12 tached to or connected with real property, if the owner has agreed not
13 to remove the tangible personal property permanently from the state for
14 the period the authority sets; "plant" or "facility" does not include
15 work in process or stock in trade;

16 [(7) "PROJECT" MEANS A MANUFACTURING OR INDUSTRIAL PLANT OR
17 PLANTS, THE CONSTRUCTION OR ACQUISITION OF WHICH IS TO BE FINANCED IN
18 WHOLE OR IN PART BY THE AUTHORITY UNDER THIS CHAPTER;]

19 (8) "project cost" or "cost of a project" means all or any
20 part of the aggregate costs determined by the authority to be necessary
21 to finance the construction or acquisition of a project, including
22 without limitation the cost of acquiring real or tangible personal
23 property, and, in connection with real property, the cost of construc-
24 ting buildings and improvements, the cost of constructing means of
25 access to and from the project, the cost of constructing extensions of
26 utility systems to the site of the project, the cost of a project in-
27 cludes, without limitation, the cost of financing the project, [IN-
28 CLUDING, WITHOUT LIMITATION,] interest charges before, during or after
29 construction or acquisition of the project, costs related to the deter-

1 mination of the feasibility, planning, design or engineering of the
2 project and, to the extent determined necessary by the authority, ad-
3 ministrative expenses, the cost of machinery or equipment to be used in
4 the operation of the project and expenses of inscallation, replacement
5 or rehabilitation, and all other costs, charges, fees and expenses which
6 may be determined by the authority to be necessary to finance the con-
7 struction or acquisition;

8 (9) "project occupant" means a business enterprise or enter-
9 prises proposing to use or [AND] occupy a project;

10 (10) "real property" means land and rights and interests in
11 land, including, without limitation, interests less than full title such
12 as easements, uses, leases, and licenses;

13 (11) "lease" includes, when used as a noun, an interest in, or
14 when used as a verb, the transfer of an interest in, [REAL] property
15 less than fee simple title, including, without limitation, when used as
16 a noun, agreements to use or occupy [REAL] property;

17 (12) "small business enterprise" means a business enterprise
18 with annual gross sales of \$10,000,000 or less;

19 (13) "tourism enterprise" means a business enterprise which is
20 directly involved in the tourist industry;

21 (14) "commercial fishing enterprise" means one or more in-
22 dividual commercial fishermen who are residents of the state who jointly
23 apply for and receive a commercial fishing loan from a private financial
24 institution in the state or from a state or federal loan program;

25 (15) "mining enterprise" means a business enterprise which is
26 directly involved in the mining industry.

27 * Sec. 63. After July 1, 1981,

28 (1) no further loans may be made under AS 16.10.310 and 16.10.-
29 320(a) except for loans authorized under AS 16.10.333 pursuant to AS 16.10.-

1 310 and 16.10.320(a); and

2 (2) no further loans may be made under AS 45.90.020, AS 45.95.020,
3 and AS 26.15.040(3).

4 * Sec. 64. FINDINGS RELATING TO THE DIVISION OF HOUSING ASSISTANCE. The
5 legislature finds that

6 (1) there exists a great need for financial assistance, particu-
7 larly in the rural areas of the state, for housing purchases;

8 (2) existing loan programs of the state and federal governments
9 impose minimum building standards on housing to be purchased with loans from
10 the programs;

11 (3) the distinctive environment in many parts of Alaska has re-
12 sulted in the construction of housing which is not standard for other parts
13 of the state or of the country;

14 (4) often housing which does not conform to the lending require-
15 ments of state and federal loan programs is nevertheless acceptable housing;

16 (5) it is necessary to create a state agency which will provide
17 for financing for this nonconforming housing so that people in all parts of
18 Alaska have an equal opportunity to obtain housing.

19 * Sec. 65. AS 44.47 is amended by adding new sections to read:

20 ARTICLE 9. DIVISION OF HOUSING ASSISTANCE.

21 Sec. 44.47.360. DIVISION OF HOUSING ASSISTANCE CREATED. There is
22 created in the Department of Community and Regional Affairs the division
23 of housing assistance.

24 Sec. 44.47.370. POWERS OF DIRECTOR. The director may

25 (1) adopt regulations in accordance with the Administrative
26 Procedure Act (AS 44.62) to implement AS 44.47.360 - 44.47.560;

27 (2) make and execute agreements, contracts, and other instru-
28 ments necessary or convenient in the exercise of his powers and func-
29 tions under AS 44.47.360 - 44.47.560;

1 (3) purchase or participate in the purchase of nonconforming
2 housing mortgage loans in accordance with AS 44.47.360 - 44.47.560;

3 (4) purchase or participate in the purchase of loans for
4 building materials for nonconforming housing in accordance with AS 44.-
5 47.360 - 44.47.560;

6 (5) procure insurance against loss in connection with his
7 functions under AS 44.47.360 - 44.47.560;

8 (6) acquire real or personal property, or an interest in real
9 or personal property, by purchase, transfer or foreclosure, when the
10 acquisition is necessary or appropriate to protect a loan in which the
11 division has an interest; sell, transfer and convey that property to a
12 buyer; and, if the sale, transfer or conveyance cannot be effected with
13 reasonable promptness or at a reasonable price, rent or lease the pro-
14 perty to a tenant pending the sale, transfer or conveyance;

15 (7) do all acts necessary, convenient or desirable to carry
16 out the powers expressly granted or necessarily implied in AS 44.47.360 -
17 44.47.560.

18 Sec. 44.47.380. NONCONFORMING HOUSING LOAN FUND. There is created
19 in the Department of Community and Regional Affairs the nonconforming
20 housing loan fund consisting of money appropriated to it by the legisla-
21 ture. The director shall administer the nonconforming housing loan fund
22 in accordance with AS 44.47.360 - 44.47.560 and shall use the money in
23 the nonconforming housing loan fund to purchase or participate in the
24 purchase of

25 (1) nonconforming housing mortgage loans; and

26 (2) loans made for building materials for nonconforming
27 housing;

28 (3) loans made for renovations or improvements to nonconform-
29 ing housing.

1 Sec. 44.47.390. LIMITATIONS ON USE OF NONCONFORMING HOUSING LOAN
2 FUND. (a) The director may not use the money in the nonconforming
3 housing loan fund to

4 (1) purchase or participate in the purchase of a noncon-
5 forming housing mortgage loan

6 (A) which exceeds \$125,000;

7 (B) the monthly loan repayment on which exceeds 25
8 percent of the borrower's gross monthly income; or

9 (C) the term of which exceeds 30 years;

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

12 (A) which exceeds

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

17 (ii) 80 percent of the value of other property which
18 is pledged as security for the loan and which is satisfactory
19 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 the lesser of

25 (i) three years; or

26 (ii) the maximum period of time established by
27 regulation by the director based on the prevailing practice
28 among private financial institutions in the general area in
29 which the loan is made for loans for the purchase of building

1 materials;

2 (3) purchase or participate in the purchase of a noncon-
3 forming housing mortgage loan which is secured by real property the
4 marketable title to which is shown in accordance with AS 44.47.420(b)(2)
5 if the total amount of outstanding nonconforming housing mortgage loans
6 held by the division exceeds 10 times the amount of money in the re-
7 stricted title loss reserve account (AS 44.47.430);

8 (4) purchase or participate in the purchase of construction
9 loans.

10 (b) In this section, "monthly loan repayment" means the accrued
11 monthly liability of the borrower for principal and interest payments,
12 including amortized insurance payments, property tax payments, service
13 charges and other charges and fees, under the terms of the loan agree-
14 ment.

15 Sec. 44.47.400. SECURITY FOR LOANS. (a) The director shall adopt
16 regulations in accordance with the Administrative Procedure Act
17 (AS 44.62) establishing acceptable security for loans purchased in whole
18 or in part under AS 44.47.380.

19 (b) A person may pledge as security for the repayment of a loan
20 purchased in whole or in part under AS 44.47.380 a preference right he
21 holds to receive title to land he occupies as a primary place of resi-
22 dence, primary place of business, subsistence campsite, or as head-
23 quarters for reindeer husbandry. The preference right must be conveyed
24 to the person by the Native corporation to which the land was granted
25 under section 14 of the Alaska Native Claims Settlement Act (85 Stat.
26 688, 43 U.S.C. secs. 1601 - 1626, as amended by P.L. 94-204) before it
27 may be pledged as security under this subsection. The commissioner of
28 community and regional affairs shall prescribe procedures and standard
29 forms for establishing, pledging, and appraising the value of a pre-

1 ference right held by a person to secure the repayment of a loan pur-
2 chased in whole or in part under AS 44.47.380.

3 Sec. 44.47.410. INTEREST ON LOANS. (a) The interest rate on a
4 mortgage loan purchased in whole or in part under AS 44.47.380 must
5 equal

6 (1) nine and one-half percent for a mortgage loan made to a
7 person of lower and moderate income or to a person who is an eligible
8 veteran under AS 18.56.101;

9 (2) ten and one-half percent for a mortgage loan made to a
10 person other than a person described in (1) of this subsection.

11 (b) The director shall, by regulations adopted in accordance with
12 the Administrative Procedure Act (AS 44.62), define "person of lower and
13 moderate income" for the purposes of this section. In defining "person
14 of lower and moderate income", the director shall consider the factors
15 described in AS 18.56.210(10)(A) - (E).

16 Sec. 44.47.420. TITLE. (a) Before the director purchases a
17 nonconforming housing mortgage loan in whole or in part, the director
18 may require a borrower to show marketable title to real property offered
19 as security for the loan to be purchased.

20 (b) A borrower may show marketable title to real property for the
21 purposes of (a) of this section

22 (1) by purchasing title insurance from a title insurance
23 company authorized to do business in the state; or

24 (2) by delivering to the director a copy of a letter of
25 intent signed by an authorized representative of the United States
26 Department of the Interior which shows the transfer of title to the
27 property from the United States government to the borrower if

28 (A) the borrower is an Alaska Native;

29 (B) title to the property was originally transferred

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from the United States government, directly or indirectly, to the borrower under federal law; and

(C) the federal law prohibits or limits the power to transfer or encumber title to the property.

Sec. 44.47.430. RESTRICTED TITLE LOSS RESERVE ACCOUNT. (a) There is established in the division the restricted title loss reserve account. The restricted title loss reserve account consists of money appropriated to it by the legislature and shall be administered by the director.

(b) The director may with law money from the restricted title loss reserve account in an amount equal to the loss to the division on a nonconforming housing mortgage loan purchased in whole or in part by the division if marketable title to the real property used to secure the loan was shown in accordance with AS 44.47.420(b)(2). Money withdrawn from the restricted title loss reserve account under this section shall be deposited in the nonconforming housing loan fund.

Sec. 44.47.440. FIRE INSURANCE. Before purchasing or participating in the purchase of a nonconforming housing mortgage loan, the director may require the borrower to agree to purchase and maintain fire insurance for the real property for which the loan is made in an amount not less than the outstanding principal balance of the loan.

Sec. 44.47.460. LOAN SERVICING. Before purchasing or participating in the purchase of a loan, the director shall enter into a loan servicing agreement with the private financial institution from which the loan is to be purchased. Under the servicing agreement, the private financial institution shall administer the loan and may charge the division a fee equal to one-quarter of one percent interest on the division's share of the loan. The private financial institution may also charge the borrower a reasonable loan servicing fee.

Sec. 44.47.470. APPRAISALS. Before purchasing or participating in

1 the purchase of a nonconforming housing mortgage loan, the director may
2 have or may require the borrower to have an appraisal made of the fair
3 market value of the real property, including structures on the real
4 property, for which the loan is made. In conducting an appraisal under
5 this section, the appraiser shall give full value to insulation and
6 other features of construction in structures on the real property which
7 add to the energy efficiency of the structures.

8 Sec. 44.47.480. TOLL-FREE TELEPHONE NUMBER. The director shall
9 arrange for and maintain a toll-free telephone number for the division
10 so that private financial institutions and their borrowers may contact
11 the division from any location in the state by telephone without a toll
12 charge.

13 Sec. 44.47.490. ASSISTANCE BY DIVISION PERSONNEL. (a) The direc-
14 tor shall hire at least one lending officer and shall contract for the
15 services of

16 (1) a real property appraiser who is familiar with rural
17 construction; and

18 (2) an engineer who is familiar with engineering problems in
19 arctic and subarctic regions.

20 (b) The personnel described in (a) of this section shall make
21 regular visits to each of the regions established under AS 44.47.510(a)
22 to provide preconstruction and post-construction inspections of real
23 property for which loans are purchased by the division in whole or in
24 part under AS 44.47.380 and to provide assistance to private financial
25 institutions and their borrowers in the regions.

26 Sec. 44.47.500. DEMONSTRATION PROJECTS AND INFORMATION. The
27 director may enter into agreements with public and private agencies to
28 provide demonstration projects and information concerning housing con-
29 struction in each of the regions established under AS 44.47.510(a).

1 Sec. 44.47.510. REGIONAL ALLOCATION. (a) The director, by regu-
2 lations adopted in accordance with the Administrative Procedure Act
3 (AS 44.62), shall establish and may amend the boundaries of reasonably
4 compact and contiguous regions in the state.

5 (b) Unless otherwise required by an appropriation, the director
6 shall allocate the money in the nonconforming housing loan fund among
7 the regions established under (a) of this section for the purpose of
8 purchasing each type of loan described in AS 44.47.380. In making an
9 allocation under this subsection, the director shall consider the past
10 and potential lending activity of private financial institutions in the
11 region as well as the need for loans in the region. The director may
12 reallocate the money among the regions as he considers necessary.

13 Sec. 44.47.560. DEFINITIONS. In AS 44.47.360 - 44.47.560,

14 (1) "director" means the director of the division of housing
15 assistance;

16 (2) "division" means the division of housing assistance;

17 (3) "housing" means owner-occupied, single-family housing and
18 owner-occupied duplexes;

19 (4) "nonconforming housing" means housing which does not
20 conform to minimum building standards under any state or federal program
21 that provides loans for housing purchases.

22 * Sec. 66. MOBILE HOME STUDY. The director of the division of housing
23 assistance (AS 44.47.360) shall conduct a study to determine (1) the need to
24 include loans for the purchase of mobile homes as an eligible type of loan
25 for purchase by the division of housing assistance; and (2) methods available
26 to modify or improve mobile homes for adaptation to arctic, subarctic and
27 rural areas. The director shall report the findings of his study to the
28 governor and to the legislature by January 20, 1981, and shall include in his
29 report suggestions for legislation which he considers appropriate.

1 * Sec. 67. AS 16.10.510(8); AS 18.56.085, 18.56.092, 18.56.094, 18.56.-
2 095(e)(2), 18.56.095(g), 18.56.095(h)(5), and 18.56.125(f) are repealed.

3 * Sec. 68. AS 44.57, AS 44.59, and AS 44.60 are repealed.

4 * Sec. 69. Section 7 of this Act is retroactive to June 19, 1976, and
5 applies to loans made under AS 16.10.510 after June 18, 1976.

6 * Sec. 70. Sections 36 and 68 of this Act take effect 60 days after the
7 effective date of secs. 1 - 12, 15 - 35, 37 - 42, 45, and 47 - 73 of this
8 Act.

9 * Sec. 71. Sections 14 and 44 of this Act take effect on the effective
10 date of an amendment to the Constitution of the State of Alaska which provides
11 for confirmation by the legislature of appointments as provided in secs. 14
12 and 44 of this Act.

13 * Sec. 72. Sections 13, 43, and 46 of this Act take effect July 1, 1980.

14 * Sec. 73. Sections 1 - 12, 15 - 35, 37 - 42, 45, and 47 - 73 of this Act
15 take effect immediately in accordance with AS 01.10.070(c).

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Gallagher

PAGE 26

LINES 5-29

DELETE

Delete all provisions putting them under EBA

OK

Amendment deletes need for Regional Housing Authority to come under Executive Budget Act and legislative review for selling debt

per. P 27. L. 1
RM write per Sec. 26
w 3 or
B.P. EBA -
per 10-13
27
P 26. L. 27

RM write w n Exempt RHA 2 EBA

AMENDMENTS

- 1 Page 54, line 6
- 2 After "\$125,000;" insert "or"
- 3 Page 54, lines 7 - 8
- 4 Delete all material
- 5 Page 54, line 9
- 6 Delete "(C)" and insert "(B)"
- 7 Page 60
- 8 After "18.56.095(h)(5)," delete "and"
- 9 After "18.56.125(f)" insert "; and AS 26.15.040(2)"
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There is established in the corporation* a special fund known as the Home Ownership Fund, consisting of monies appropriated by the legislature. All monies held in the fund shall be used solely to assist low and moderate income persons to own homes the purchase of which is financed under this act by providing a subsidy to such families or persons not to exceed the difference between the amount required annually to pay interest and debt service, real property taxes and insurance, and twenty-five percent of such family or person's annual income.

*Or the new Housing Assistance Division?

HCS SB 1

Malone Amendment

Page 20, line 13: Subsection (d) delete and rewrite:

(d) The corporation shall establish and may amend the interest rates charged to borrowers whose mortgage loans are purchased by the corporation under (a) of this section. In determining the interest rates, the corporation shall consider: the amount by which assets of the corporation pledged to pay the principal, interest, and other costs on bonds or notes issued by the corporation for the special mortgage loan program exceed the amount of the bonds or notes issued for the special mortgage purchase program and, the amount of income or other resources that categories of borrowers reasonably can allocate to home mortgage payments. *The corporation shall establish interest rates for categories of borrowers under this program by regulation.*

§ 1-13A. Interest subsidy program

In addition to its other powers and to the extent of appropriations or grants or other financial aid directed to the purpose, the MHFA shall create and establish a special fund, herein referred to as the Interest Subsidy Fund, and shall pay into such fund any monies appropriated and made available by the commonwealth and any grants or financial aids received from others for the purposes of such fund. All monies held in the Interest Subsidy Fund shall be used solely to assist low-income families or persons to own homes or cooperative housing shares or condominium units the purchase and rehabilitation of which are financed under this act by providing, as designated by appropriation, (a) a subsidy to such families or persons not to exceed the difference between the amount required annually to pay interest and debt service, real property taxes, fire insurance, reasonable management costs and reasonable maintenance costs on such a home share, or unit, and twenty-five per cent of such family or person's annual income, or (b) mortgage funds on an interim basis prior to the issuance of refunding notes or bonds therefor for mortgage loans made by the MHFA pursuant to the authority granted in clause (s) of section four, or (c) special advice and assistance to such families and persons.

St.1966, c. 708, § 13A, added by St.1970, c. 855, § 10.

Historical Note

St.1970, c. 855, § 10, was approved Aug. 31, 1970. Emergency declaration by the Governor was filed Sept. 2, 1970.

§ 1-13B. Resident ownership subsidy program

MHFA shall create and establish a special fund, herein referred to as the Resident Ownership Fund, and shall pay into such fund any monies appropriated and made available by the commonwealth and any grants or financial aids received from others for the purposes of such fund. All monies held in the Resident Ownership Fund shall be used solely to assist low-income families or persons to own homes or cooperative housing shares or condominium units the purchase and rehabilitation of which are financed under this act by providing, as designated by appropriation, (a) a subsidy to such families or persons not to exceed the difference between the amount required annually to pay interest and debt service, real property taxes, fire insurance, reasonable management costs and reasonable maintenance costs on such a home share, or unit, and twenty-five per cent of such family or person's annual income, or (b) mortgage funds on an interim basis prior to the issuance of refunding notes or bonds therefor for mortgage loans made by the MHFA pursuant to the authority granted in clause (s) of section four, or (c) special advice and assistance to such families and persons.

St.1966, c. 708, § 13B, added by St.1970, c. 855, § 10.

Historical Note

St.1970, c. 855, § 10, was approved Aug. 31, 1970. Emergency declaration by the Governor was filed Sept. 2, 1970.

§ 1-14. Annual report

The MHFA shall annually submit to the senate ways and means committee, the ways and means committee, the commission on finance, and the comptroller within ninety days of the close of each fiscal year, a complete and detailed report of its operations and accomplishments; (b) Its receipts and disbursements for each such fiscal year in accordance with the categories established by the MHFA for its operating purposes; (c) Its assets and liabilities at the end of each such fiscal year, including a schedule of its mortgage loans and the status of reserve, special, or other funds, bonds and notes outstanding at the end of each such fiscal year with a statement of the amounts redeemed during such fiscal year.

St.1966, c. 708, § 14.

§ 1-15. Inspection of books and records

The books and records of the MHFA shall be subject to annual audit by the auditor of the commonwealth. St.1966, c. 708, § 15.

§ 1-16. Liberal construction

This act, being necessary for the welfare and its inhabitants, shall be liberally construed.

St.1966, c. 708, § 16.

§ 1-17. Severability

The provisions of this act are severable and if any provision shall be held unconstitutional by any court of law, the decision of such court shall not affect the remaining provisions.

St.1966, c. 708, § 17.

1-13A
276

AKPIRG

Insert the following new material after the new Section 60.

Section 61. AS 44.25 is amended by adding a new section to Article 1 to read:

SEC. 44.25.026. REPORT ON INSIDER LOANS. (a) Any financial institution offering or participating in loans which are directly or indirectly financed by the state of Alaska, including loans purchased by the State of Alaska in the secondary money market, shall provide a report detailing all loans over \$10,000 made by the institution during the previous year to or co-signed or guaranteed by:

(1) an officer, employee or director of the institution or a member of the immediate family of an officer, employee or director of the institution, or

(2) a corporation, partnership or other organization more than ten percent of which is owned in the aggregate by persons referred to in (1) of this subsection, or

(3) any organization or individual defined as an insider for purposes of reporting by the F.D.I.C., the Comptroller of the Currency, or the Federal Home Loan Bank Board.

(b) The institution shall report under this section loans acquired by the institution which, if initially made by the institution, would be required to be reported under (a) of this section.

(c) Reports under (a) and (b) of this section will include the following information:

(1) the name of the insider

(2) the insider's position or relationship that causes such person to be considered an insider,

(3) the date on which the transaction was approved by the institution's board of directors

(4) the amount of each loan made to an insider

(5) the terms of each loan, including the interest rate, and the security used to obtain the loan

(6) the purposes for which the loan was obtained

(7) whether the insider loan is in default of its interest or principal payments

(8) the current balance of each loan.

page 55, after line 20

AKPIRG

Insert the following new material

Section. 60. AS 44.25 is amended by adding a new section to Article 1 to read:

SEC. 44.25.025. ANNUAL REVIEW OF LENDING PRACTICES.

The Commissioner (Department of Revenue) shall adopt regulations which provide for an annual review of lending practices of any financial institution offering or participating in loans which are directly or indirectly financed by the state of Alaska, including loans purchased by the State of Alaska in the secondary money market. Such review will provide for local communities to examine the lending record of institutions managing public funds, and to express to the Commissioner a statement of the local community credit needs. The Commissioner shall consider this input from local communities in determining the eligibility of each institution for receiving public funds.

(Vassar)

Amendment # _____ Page 3, line 12. Before the word
"vessel" insert "fishing". Make same
change throughout as necessary.

OK

From Gardiner

Page 3 line 15

change 'and' to 'or'

OK
BR - V - 6 - sund 201

Page 3 line 7 insert

(c) In the event of a default on a loan purchased by the commissioner under AS 16.10.670(a) which is secured by a limited entry permit, the commissioner shall follow the procedures described in AS 16.10.335 through AS 16.10.337.

Page 3 line 5

after 'financial institutions' add 'or Alaska Fisheries and Agriculture Bank'

Commercial

BR 9 4 1 ^ : JS ad

OK

(KNS)

Amendment # _____ (Doogan) Page 5, line 13. Delete and insert
a new subsection to read: (2) bears an
interest rate other than nine and one-half
for borrowers who are eligible veterans
under AS 18.56.101 or ten and one-half percent
for other borrowers.

MDL, Add

Amendment # _____ (Doogan) Page 6, line 16. Delete and insert: (4) may not bear interest other than nine and one-half for borrowers who are eligible veterans under AS 18.56.101 or ten and one-half percent for other borrowers.

Continuance

AHFC 5/16/80

HCS CSSSSB 1

HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SS SB 1

PAGE 9:

LINE 18: Delete "creation", insert "continuance"

BR -> N/A, -> In

Cameron

HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SS SB 1

PAGE 10:

~~LINE 8:~~

no

Delete "two members" and replace with "four members". *B. Wagner / on 1/10/80*

LINE 13:

Add a new sentence:

Hold

"Members shall only be subject to confirmation upon passage of an amendment to the Alaska Constitution permitting the Legislature to require submission of such members for confirmation."

LINE 14:

Delete "one-year" and replace with "^{two}three-year". *RM on two years. stagger terms*

LINE 15:

Add a sentence:

~~stagger terms~~
stagger terms

"One of the non-ex-officio members first appointed shall serve for one year, one shall serve for two years, and ~~two shall~~ serve for three years."

AMENDMENT # _____ BY ROGERS

page 10, line 14 delete "one" insert "two"

OK

5/16/80

HCS CSSSSB 1

Commerel

PAGE 11:

LINE 21: At end of line : at its request

A handwritten scribble or signature consisting of several loops and a vertical line, located below the circled text.

Commerce

PAGE 11

LINES 28-9

After (AS37.07) add:

"for fiscal years beginning

after June 30, 1981

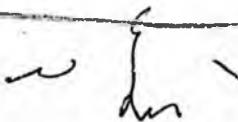
~~on and after July 1, 1981~~

Wayman & ... by ... with W cycle.

W

*Commerce*PAGE 12:

LINES 3-5 Remove brackets and at end of line add:
"and for its other corporate purposes."



Commerce

PAGE 15:

LINE 24: Delete "board of directors" and replace with "corporation".

Wagner (S) Rev. 1/1 - 4
dr 1

Commerce

PAGE 17:

LINES 22, 26, and 29:

Restore "Commissioner of Commerce
and Economic Development."

gen, A → Ed & E. functions
4 M-
→ G
dm

OK (12 pages)

Commerce

PAGE 18:

LINES 6,20: Restore "Commissioner of Commerce and Economic Development."

2-11-
with forth new W.P.
v. n. @ ~ h

BEFORE SEC. 17, insert a new section:

Sec. INSURANCE. (a) There is established in the corporation the "housing insurance fund," the "rural housing hazard insurance fund" and the "rural housing title insurance fund." The funds must be completely segregated from all other funds of the corporation, and are trust funds for the uses and purposes of this section. The corporation may adopt regulations under AS 18.56.088 and enter into agreements with respect to the exercise of any power relating to the funds under this section, including, without limitation, agreements as to the use of the money in the funds, agreements with respect to the terms and conditions upon which payments from the funds must be made to the corporation with respect to mortgage loans insured under this section, agreements as to accounts or subaccounts in the funds for different categories of loans, and agreements regarding the payment of and security for bonds of the corporation. The corporation may pledge, assign or grant other interests in the funds as may be necessary or appropriate in connection with the insurance of mortgage loans and to provide for the payment of and security for bonds of the corporation.

Continued

(b) In addition to any other fees and charges which the corporation may charge on mortgage loans, the corporation may collect, or cause to be collected, insurance commitment fees and insurance premiums on mortgage loans insured by a fund under this section.

(c) A mortgage loan purchased by the corporation as part of its special mortgage purchase program may be insured by the housing insurance fund. Any such mortgage loan on a mobile home or residence located in a remote, underdeveloped, blighted or rural area of the state may also be insured (i) against hazard loss by the rural housing hazard insurance fund when hazard insurance from the other sources satisfactory to private mortgage lenders is not, in the opinion of the corporation, available on reasonable terms, and (ii) against title defect by the rural housing title insurance fund when title insurance from other sources satisfactory to private mortgage lenders is not, in the opinion of the corporation, available on reasonable terms. The endorsement of the corporation on the mortgage that it is insured by any fund under this section at the time of purchase or acquisition of the mortgage loan is conclusive evidence that the mortgage loan is insured under the provisions of this section by the fund.

(d) Mortgage loans may be insured by a fund or an account in a fund under this section only when the amount in the fund or in the account as a percentage of the sum of all mortgage loans to be insured and all unpaid principal on mortgage loans to be insured by the funds or the account, equals or exceeds the fund requirement. The

Commerce

fund requirement for each fund or account shall be calculated as the percentage which the corporation determines is actuarially sound for operation of the fund or account.

(e) When the corporation determines what is actuarially sound with respect to the operation of each fund or account in a fund, it shall consider means of providing sufficient revenues for the operation of the fund or account, without regard to amounts which may have been or may, after the date of determination of actuarial soundness, be appropriated under (f) of this section and it shall consider factors which must include without limitation (i) as to the mortgages insured by the housing insurance fund, or an account of the housing insurance fund, estimates of future defaults and losses on mortgage loans insured under this section based on actual default and loss experience on those mortgage loans or on similar mortgage loans in Alaska or elsewhere, estimates of recoveries on defaulted or foreclosed mortgage loans based on that experience, the terms and conditions of the mortgage loans insured under this section, estimates of earnings and income of amounts on deposit in the fund, and any other appropriate factors; (ii) as to mortgages insured by the rural housing title insurance fund, estimates of defaults and losses by reason of title defects which are otherwise uninsured, estimates of earnings and income of amounts on deposit in the fund or the account, and any other appropriate factors; and (iii) as to mortgages insured by the rural housing hazard insurance fund, or an account of the rural housing hazard insurance fund, estimates of default by reason of hazard losses which are otherwise uninsured,

Caumene

estimates of earnings and income of amounts on deposit in the fund or the account, and any other appropriate factors.

(f) On December 1 of each year the corporation shall ascertain the amount of deposit in each fund and in each account of each fund. If the amount in any fund or account is less than the fund requirement for the fund or account, the corporation shall, no later than January 2 of the following year, certify in writing to the governor and to the legislature, the amount, if any, required to restore that fund or account to the fund requirement. The legislature may appropriate the amount and the corporation shall deposit in the fund or account all amounts appropriated during the then current state fiscal year. Nothing in this subsection creates a debt or liability of the state.

Commerce

2.5

PAGE 20:

LINE 8: Delete "money" and insert:
"mortgages loans purchased
with amounts"

~ { 7

LINE 23: Add at end of line:
"or such lesser rate of interest
as may be necessary in connection
with the issuance of bonds of the
corporation the interest on which is
exempt from federal income taxation."

~ { 7

LINE 26: Delete: "relating to the assumption"
and insert: "allowing, prohibiting,
or otherwise setting conditions on the
right to assume."

~ { 7

LINE 26: Delete "shall" and insert "may"

no

BR { 7 ~ ag:

for, wehlforth
Ed.

PAGE 21:

LINE 20-22: Delete bracket before "The Commissioner"
and insert after "the State Treasury"
the words: "but only to the extent the
amount necessary to purchase the notes
has been appropriated by the legislature."

no

no
to
no
no
no
no

P. 23 - L. 18-22 Delete + add

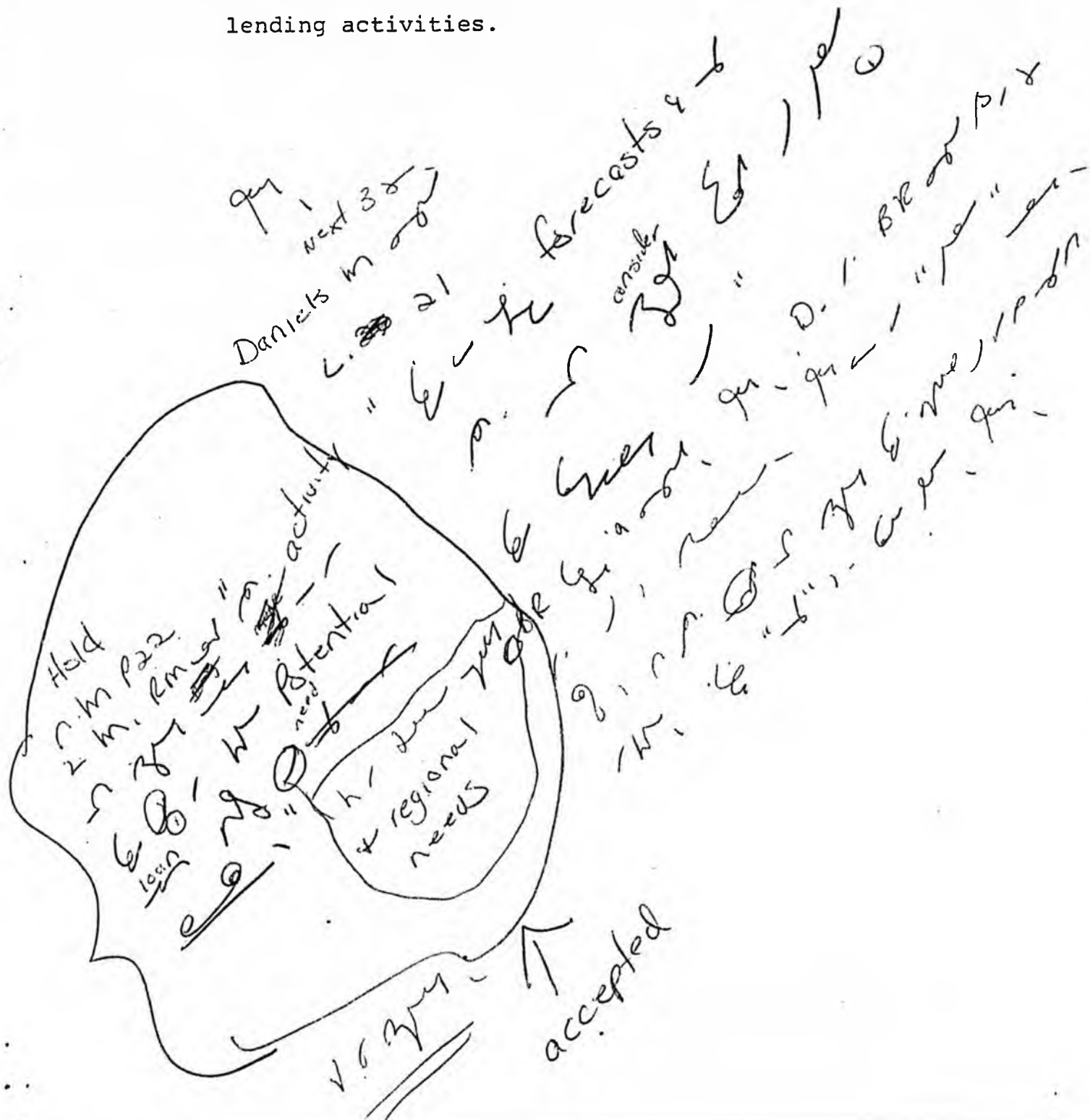
" taking into consideration
loan activity in the past,
future potential loan
activity for the financial
institutions, + regional
needs.

Gallegos

PAGE 23:

LINES 18-22 DELETE

Effect of this amendment deletes the allocation of lending activities.



PAGE 23:

LINE 22: Add at end of sentence: "and sold to the Corporation by the private financial institution during the preceding six-month period."

LINE 24: After "each" insert "beginning" ^e "in 1981." OK
~~year~~

Page 24
line 14

Corporation may not issue bonds ~~having~~ ^{during} any 12-month period beginning ~~on and~~ after ~~July 1, 1981~~ June 30, 81 unless the

OK
other than
~~refunding~~
bonds

OK

OK
P. 7. L. 25
OK

same language

P. 7. L. 25

AMENDMENT # _____ BY ROGERS

page 23 delete line 22. replace with

"past demand and future potential demand for housing loans
made by each private financial institution."
(need)

PAGE 24:

LINE 21: Should read:
"corporation may not issue bonds, other
than refunding bonds, during any 12 month
period beginning July 1, 1981, unless
the"

PAGE 25:

LINES 12, 13: Should read:

"revenue bonds, except refunding
bonds, for a project under this
chapter in an amount greater than
\$50,000,000 in any 12 month period
beginning/^{on and after} July 1, 1981, unless the
bond issuance is included as part
of the report."

AMENDMENT # _____ BY ROGERS

Page 27 delete section 26. renumber sections accordingly

F. TO CONTINUE THE SBA 502 LDC PROGRAM OF
THE SBDC:

PAGE 28 - LINE 26

21 * Sec. 32. On the effective date of this section the Alaska State De-
22 velopment Corporation (AS 44.59.010) shall transfer its assets and liabili-
23 ties to the Alaska Industrial Development Authority (AS 44.61.020). On the
24 effective date of this section the Small Business Development Corporation
25 (AS 44.60.020) shall transfer its assets and liabilities to the Alaska In-
26 dustrial Development Authority (AS 44.61.020). WHO SHALL BE
EMPOWERED TO EXERCISE ALL OF THOSE POWERS
FORMERLY EXERCISED BY THE SMALL BUSINESS
DEVELOPMENT CORPORATION THROUGH AS 44.60
PRIOR TO ITS REPEAL BY THIS ACT.

Withdrawn

Carroll

PAGE 28:

LINES 3,4: The bond bank authority may not issue revenue bonds, except refunding bonds, during any 12 month period beginning ~~on and after~~ *after* ~~July 1, 1981,~~ *June 30* unless the legislature, by law, approves the estimate.

u

AMENDMENT TO HCS-CS-SS-SB-1 (Finance)

page 29, line 8, 13, 23 after "tourism," add "mining,"

page 30, line 3, 16 after "tourism," add "mining,"

page 31, line 25 after "tourism," add "mining,"

page 32, line 23 after "tourism," add "mining,"

page 36, line 9+2 after "tourism," add "mining,"

page 40 line 11 after "TOURISM," add "MINING,"

line 23+²⁴ after "tourism," add "mining,"

line 29 after "tourism enterprise" insert "; mining enterprise;"
line 15 after "enterprises;" insert " mining enterprises;"

page 41, after line 4 add

(D) \$1,000,000 if the loan is made to a mining enterprise;

line 22 & 27 after "tourism," add "mining,"

page 42, line 2 after "tourism," add "mining,"

page 45, line 1 before "and commercial" add "mining enterprise,"

after "(13)," delete "and"

line 2 after "(14)" insert ", and (15)"

page 46, after line 21 insert

(15) "mining enterprise" means a business enterprise which is directly involved in the mining industry.

end cy- OK

PAGE 29:

LINE 16: After "gas" insert:
"facilities for water, and facilities
for industrial parks"

LINE 27: After "gas" insert:
"facilities for water and facilities for
industrial parks"

Amendment adds water and industrial parks.

Gallagher Ed - gr ←
PM 4 - 6m
RM - 2 gr
PM 4 - 2 gr
RM - 2 gr
OK

AMENDMENT # _____ BY ROGERS

page 29, line 16 & 27; page 30 lines 5-6; page 44 line 28:
delete "electric energy:or".

EM → OK

Beldon

5/16/80

①

TO : MIKE

FROM : FELDEN Daniels

RE : AMENDMENTS TO SBI

OK
A

TO STRENGTHEN FINDINGS:

PAGE 30 - LINE 9:10

* Sec. E. AS 44.61.010(a) is amended by adding new paragraphs to read:

(6) it is in the public interest to promote the prosperity and general welfare of all citizens of the state by stimulating industrial growth and expansion by encouraging an increase of private investment by banks, investment houses, insurance companies and other financial institutions, including pension retirement funds, to help satisfy the need for ^{ECONOMIC} industrial expansion;

(7) it is in Alaska's public interest, ~~considering the lack of available capital in the Alaska private capital market, to create capital market perfecting instruments which import private capital from other states to create new economic activity which would not otherwise take place in Alaska.~~ ^{to} [27 80-65 & 2] BR-V. - } >

B. TO STRENGTHEN ACCOUNTABILITY OF GOVERNOR FOR QUALITY AND NATURE OF TWO PUBLIC MEMBER APPOINTMENTS: Beldon noted need to two of S. & C.

PAGE 30 - LINE 23: 24

* Sec. E. AS 44.61.030 is repealed and re-enacted to read:

Sec. 44.61.030. MEMBERSHIP OF AUTHORITY. (a) The membership of the authority consists of three persons appointed by the governor who serve as heads of principal departments of the executive branch and two public members appointed by the governor, ~~one of whom shall have extensive~~ ^{WIDE} EXPERIENCE IN FINANCIAL LENDING IN ALASKA, and one of whom shall have ^{WIDE} ~~extensive~~ EXPERIENCE IN ^{SMALL ENTERPRISE} ~~entrepreneurial~~ OR RESOURCE DEVELOPMENT INDUSTRIES IN ALASKA.

See letter
MGT
Amendment

Memo
of
Beldon

Gallagher

PAGE 30:

LINE 6: After "gas" insert:
 "facilities for water and facilities
 for industrial parks."

Amendment adds water and industrial parks.

Conrad

PAGE 30:

LINE 22: Delete ~~"two members"~~ and replace with
~~"four members"~~.

LINE 26: Add a new sentence:
"Members shall only be subject to confir-
mation upon passage of an amendment to
the Alaska Constitution permitting the
Legislature to require submission of
such members for confirmation."

LINE 27: Delete "one-year" and replace with
"three-year".

LINE 28: Add a sentence:
"One of the non-ex-officio members first
appointed shall serve for one year, one
shall serve for two years, and two shall
serve for three years."

Baldan

(2)

TO AUTHORIZE THE POWER TO CREATE A SECONDARY MARKET FOR FEDERALLY GUARANTEED LOANS HELD BY

ATLANTIC BANKS:

PAGE 33 - LINE 11:12

SEC AS 44 61. 080 IS AMENDED BY ADDING A NEW PARAGRAPH TO READ:

(18) TO FACILITATE ~~OPERATIONS~~ A SECONDARY MARKET FOR OR CONNECTIONS ~~OF~~ (?)

THE RESALE OF FEDERALLY GUARANTEED LOANS HELD BY ATLANTIC NATIONAL BANKS.

aim to facilitate the market, for the sale of the loans held by

pmv

Commercial

PAGE 33:

LINE 23: Should read:

"issue bonds, other than refunding
bonds, during any 12 month period
beginning/ ~~July 1, 1981~~ ^{on and after June 30}, unless the
legis"

LINES 26,27: "issue revenue bonds, except refunding
bonds, for a project under this
chapter during any 12 month period
beginning July 1, 1981, in an amount
greater than \$50,000,000 unless the
issuance is included"

RM ✓ →

RM ✓
OK
✓

SR → (+) + (\$) → citation
check citation

17. TO CLARIFY UMBRELLA REVENUE BONDING POWERS:

PAGE 34 - LINE 2:3

5 = Sec. 2. AS 44.61.090 is amended by adding new subsections to read:

6 (A) The authority may combine for the purposes of a single offer-
7 ing bonds financing more than one project.

8 (X) The authority may insure, in accordance with AS 44.61.090, the
9 bonds which it issues, whether the bonds are for a single project or for
0 more than one project combined in a single offering.

EWJ 1/15/77

Amendment # _____ (Doogan) Page 40, line 28: Delete
\$500,000 and insert \$1,000,000.

RMW

BR ~~1m h~~ ~~le~~ { ~~900~~ = ~~1000~~ }
~~1000~~ ~~h~~ ~~le~~ = 1000000
4/2 -

Comments

PAGE 40:

LINE 16: Insert after "which are not eligible to be" the words: "or which the authority determines (should not be)"

Handwritten scribbles and symbols

Handwritten notes:
P.S. → ...
HM I. ... P354 →
HM ...
NB P5-Melone

AMENDMENT # _____ BY ROGERS

page 40, line 28 delete "\$500,000" insert "\$1,000,000"

OK

E. TO CLARIFY FINDINGS OF THE AUTHORITY
FOR PURPOSES OF INCREASING ACCOUNTABILITY
TO PUBLIC PURPOSES

PAGE 42 - LINE 17

NEW PARAGRAPH PARAGRAPH AFTER "PROJECT OCCUPANT)

"BEFORE ENTERING INTO A LEASE OR OTHER
AGREEMENT REGARDING A PROJECT," THE AUTHORITY
MUST FIND ...

~~redundant~~
1-1-5-
P

1-1-5-

PAGE 42 - LINE 25

(4) that the project financed by the loan will provide or
retain employment reasonably related to the principal amount of the loan
to be insured, considering among other things, the amount of investment
per employee for comparable facilities;

(5) that the scope of the project financed by the loan is
sufficient to provide a reasonable expectation of a benefit to the
economy of the state;

1-1-5-

BR 8 m of
RMW nine
5/6 w
4/10
1-1-5-
11m mul-labor
2 1/2

6. TO CLARIFY USES OF SMALL BUSINESS, TOURISM
AND COMMERCIAL FISHING LOAN ACCOUNT

PAGE 42 - LINE 4

ADD: , HOWEVER INCOME FROM INTEREST PAYMENTS
AND PRINCIPAL REPAYMENTS ON LOANS
FROM THE SMALL BUSINESS, TOURISM
AND COMMERCIAL LOAN ACCOUNTS MAY NOT
BE RELOANED BY THE AUTHORITY.

out

Comme...

PAGE 44:

LINE 6: Delete: "which is organized for
profit" and insert:
"other than an entity which is organized
not-for-profit."

*RM - w
y*

~~delete electric energy or~~

→ p. 46, lines 28 + 29

AMENDMENT # _____ BY ROGERS

page 47, lines 15, 16, and 18; page 55 lines 5-6,7:

delete "nonconforming housing loans" insert "housing assistance"

(BIC)

BR-V. ~ 4

AMENDMENT # _____ BY ROGERS

-page 48, line 22: delete "." insert ";" and new subsection (3)
"(3) purchase or participate in the purchase of loans made
for renovations and improvements to non-conforming housing."

BR
W

Amendment # _____ (Doogan) Page 48, line 29 to Page 49,
line 1: Delete and insert a new subsection
to read: (B) the interest rate on which
is other than nine and one-half percent
for borrowers who are eligible veterans
under AS 18.56.101 or ten and one-half
percent for other borrowers.

SK.P

Amendment # _____ (Doogan) Page 50, line 25 to Page 51,
line 15. Delete.

SK-P

Commerce

PAGE ⁴ 53:

LINE 6: After (AS 3707) add: "for
 fiscal years beginning on
 or after ~~July 1, 1981.~~" *h* 30.81

u *y* *h* *i*

PAGE 55:

LINE 24: Sec. 5, Sec. 32, Sec. 38 of the Act
 should take effect on October 1, 1980.

(Comment - new board composition and
transfer of assets and liabilities)

Ho 18

Comment

~~PAGE 60:~~

P. 55

LINE 21: Do not repeal AS 18.56.010
(prior findings)

Repeal AS 18.56.090(25), (26), and (27)

*RM 266-2 pu
14 e u g s x-
RM-2 u y m-*

Add existing law on designees
to (b).

Legal to check if effective date
clause should be here, or moved
to eff. date part of bill

Entire section also to be added
~~(A)~~ to AIDA, page 30

Malone Amendment

Page 10, Section 5, Corporation Governing Body - delete (a) and (b) and insert:

(a) The corporation shall be governed by a board of directors consisting of three ~~heads~~ ^{commissioners} of ~~3~~ principal departments of state government, ~~or their designees~~, and two members, appointed by the governor.

(b) The appointment or reappointment of members to the board, including ~~ex-officio~~ ^{commissioners who are} members, ~~or their designees~~, is subject to confirmation by a majority vote of the members of the legislature in joint session. If the legislature fails to confirm the appointment of an ~~ex-officio~~ ^{commissioner as a} member, the governor shall appoint another ~~ex-officio~~ ^{commissioner as a} member who shall be subject to confirmation. This subsection shall take effect on the effective date of an amendment to the Constitution which provides for confirmation of state officials other than heads of principal departments and quasi-judicial boards.

6 - existing law on designees. RM 07. HM "read" / read "heads"
add to AIDA P. 30 - 20-23
line 47
RM view
AIDA

HCS SB 1

Malone Amendment

Page 20, line 13: Subsection (d) delete and rewrite:

(d) The corporation shall establish and may amend the interest rates charged to borrowers whose mortgage loans are purchased by the corporation under (a) of this section. In determining the interest rates, the corporation shall consider: the amount by which assets of the corporation pledged to pay the principal, interest, and other costs on bonds or notes issued by the corporation for the special mortgage loan program exceed the amount of the bonds or notes issued for the special mortgage purchase program and, the amount of income or other resources that categories of borrowers reasonably can allocate to home mortgage payments. *The corporation shall establish interest rates for categories of borrowers under this program by regulation.*

5K.P

HCS SB 1

Malone Recommendation

Notes on appropriation of cash and other negotiables under the special mortgage program:

(1) The amount estimated to be required should be appropriated. However, the commissioner of Revenue should be directed in the appropriation to transfer assets up to the limit of the appropriation only as required for the special mortgage program.

The reason is adequate legislative control over the state's financial resources. Unneeded amounts should remain in the state general fund.

AIDA - Enterprise Fund
P. 35 + 40

Gallagher gave language to
Uassar = re: cash flow
from assets be appropriated
as program receipts.

em 2 k equ...
N-b security. RM way molsg n
4r. de le. h. car.
6 n 6 P40

HCS SB 1

Malone Recommendation

Enterprise Fund - AIDA, pages 35 and 40:

This fund will provide approximately \$1,560,000,000 over the next ten years according to Department of Commerce estimates. I would recommend that the earnings in excess of required reserves lapse into the general fund for appropriation by the legislature. Over one and one-half billion would otherwise be appropriated by the AIDA board. I would suggest the incorporation of a version of the following:

"Loan repayments and interest earned by loans transferred under AS _____, in excess of that required for bond covenants, shall be deposited in the general fund."

RM - 7 10-8
21-22 10-8
receipts
funds
MD in Mon. ED fund. 1 yr 2
shifting - EBA 2/1/86
EM 2/1/86
MBG
HFC 36 m. side
refined
HM
Sec 53
Fund
RM 2/1/86
2/1/86