

LEG. FINANCE - BILLS 1983 - 1984 1876

CSHB 302 cont. 1876

1 United States armed forces [IN ALASKA] if the reserve unit required,
2 as a minimum, one weekend each month of duty and 15 consecutive days
3 of active duty training each year [FOR NOT LESS THAN FIVE YEARS] and
4 whose discharge was under honorable conditions.

5 * Sec. 10. AS 18.56.115 is amended to read:

6 Sec. 18.56.115. INDEPENDENT FINANCIAL ADVISOR. In negotiating
7 the private sale of bonds or bond anticipation notes to an under-
8 writer, the corporation may [SHALL] retain a financial advisor. A
9 financial advisor retained under this section must be [WHO IS] inde-
10 pendent from the underwriter.

11 * Sec. 11. AS 18.56 is amended by adding a new section to read:

12 Sec. 18.56.205. RESIDENTIAL MORTGAGE ASSISTANCE FOR MEMBERS OF
13 THE ALASKA DELEGATION TO CONGRESS. The corporation may extend the
14 special mortgage loan purchase program (AS 18.56.098) to purchase a
15 mortgage loan made for the purchase or rehabilitation of a residence
16 located in the District of Columbia or within 50 miles of the District
17 of Columbia to a member of the United States Congress from Alaska if
18 the member is otherwise qualified for assistance under the special
19 mortgage loan purchase program.

20 * Sec. 12. AS 44.47.380 is amended to read:

21 Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created
22 in the Department of Community and Regional Affairs, as a revolving
23 loan fund, the housing assistance loan fund consisting of money appro-
24 priated to it by the legislature and repayments of principal and
25 interest on loans made or purchased from the assets of the fund.
26 [INTEREST ON LOANS MADE OR PURCHASED FROM THE ASSETS OF THE FUND MUST
27 BE TRANSFERRED TO THE DEPARTMENT OF REVENUE FOR DEPOSIT IN THE GENERAL
28 FUND.] The director shall administer the housing assistance loan fund
29 in accordance with AS 44.47.360 - 44.47.560 and shall use the money in

1 the housing assistance loan fund to originate, purchase, or partici-
2 pate in the purchase of

3 (1) nonconforming and rural housing mortgage loans;

4 (2) loans made for building materials for nonconforming and
5 rural housing;

6 (3) loans made for renovations or improvements to noncon-
7 forming and rural housing;

8 (4) loans made for the construction of owner-occupied
9 nonconforming and rural housing other than loans to builders or con-
10 tractors or loans that compensate an owner for the owner's labor or
11 services in constructing the owner's own housing.

12 * Sec. 13. AS 44.47 is amended by adding a new section to read:

13 Sec. 44.47.382. HOME OWNERSHIP ASSISTANCE FUND. (a) There is
14 created in the Department of Community and Regional Affairs, the home
15 ownership assistance fund consisting of money appropriated to it by
16 the legislature. Money in the fund shall be used solely to assist
17 persons of lower and moderate income to purchase or construct single-
18 family homes financed under AS 44.47.360 - 44.47.560 by providing a
19 subsidy to those persons.

20 (b) The subsidy provided by this section may not exceed the
21 amount that is necessary to reduce the annual interest rate paid on
22 the mortgage loan to six percent.

23 (c) A mortgage loan that is subsidized from the home ownership
24 assistance fund may not exceed \$120,000.

25 (d) The division shall adopt regulations that establish maximum
26 income-to-loan payment ratios for persons who apply for a subsidy
27 under this section.

28 (e) In this section, "persons of lower and moderate income"
29 means individuals considered by the division to require assistance

1 under this section because of inadequate income or other limited
2 personal financial resources, taking into consideration

3 (1) the amount of total income available for housing needs;

4 (2) the size of the family;

5 (3) the cost and condition of available housing;

6 (4) standards established in various federal programs for
7 determining eligibility based on income;

8 (5) the ability to enter the private housing market and to
9 pay market amounts for decent, safe, and sanitary housing; and

10 (6) other factors considered relevant by the division.

11 * Sec. 14. AS 44.47.390(4) is amended to read:

12 (4) originate a direct loan for nonconforming or rural
13 housing or purchase or participate in the purchase of a nonconforming
14 or rural housing mortgage loan, other than a loan for the repair,
15 remodeling, rehabilitation, or expansion of an existing owner-occupied
16 residence, if the borrower has an outstanding housing loan made under
17 a state loan program, other than a loan for nonowner-occupied housing
18 under AS 44.47.520, that bears interest at a rate that was less than
19 the prevailing market interest rate for similar housing loans at the
20 time the loan was made.

21 * Sec. 15. AS 44.47.390 is amended by adding a new paragraph to read:

22 (5) originate a direct mortgage loan or purchase or partic-
23 ipate in the purchase of a mortgage loan for rental housing unless the
24 borrower agrees not to discriminate against tenants or prospective
25 tenants because of sex, marital status, changes in marital status,
26 pregnancy, parenthood, race, religion, color, national origin, or
27 status as a student.

28 * Sec. 16. AS 44.47.410 is amended to read:

29 Sec. 44.47.410. INTEREST ON LOANS. (a) The interest rate on a

1 mortgage loan originated or purchased in whole or in part under
2 AS 44.47.380 for nonconforming housing that is not rural housing is
3 one-quarter percent more than [EQUAL TO] the interest rate, as deter-
4 mined under AS 18.56.098(g)(1) - (4), on a mortgage loan purchased
5 under AS 18.56.098(a) from the proceeds of the most recent applicable
6 issue of taxable bonds before the origination or purchase of the
7 mortgage loan originated or purchased under AS 44.47.380.

8 (b) The interest rate on a mortgage loan originated or purchased
9 in whole or in part under AS 44.47.380 for rural housing is one per-
10 cent less than the interest rate, as determined under AS 18.56.098-
11 (g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from
12 the proceeds of the most recent applicable issue of taxable bonds
13 before the origination or purchase of the mortgage loan originated or
14 purchased under AS 44.47.380 [10-1/2 PERCENT].

15 * Sec. 17. AS 44.47 is amended by adding a new section to read:

16 Sec. 44.47.530. ANNUAL REPORT. The division shall prepare and
17 transmit an annual report that accounts to the governor and the legis-
18 lature for the discharge of all responsibility assigned by law or
19 directive to the division. The report shall be published by
20 January 10 of each year for distribution to the governor, the legisla-
21 ture, and the public. The report shall be written in easily under-
22 standable language, shall consider the assigned duties of the divi-
23 sion, and shall include

24 (1) a financial statement audited by an independent outside
25 auditor;

26 (2) a statement of the division's loans under this chapter
27 including an appraisal of the loans at market value;

28 (3) a description of the division's loan activities during
29 the period covered by the report;

1 (4) a comparison of the division's goals with its actual
2 performance during the period covered by the report;

3 (5) a description of the division's loan portfolio by
4 region within the four judicial districts of the state; and

5 (6) other information the director believes would be of
6 interest to the governor, the legislature, and the public.

7 * Sec. 18. AS 44.47.560(5) is repealed and reenacted to read:

8 (5) "rural" means of or relating to a community in the
9 state with a population of 4,500 or less, as determined by the depart-
10 ment under AS 29.88.015, that

11 (A) is not connected by road or rail to Anchorage; or

12 (B) is connected by road or rail to Anchorage, but is
13 more than 50 air miles from Anchorage;

14 * Sec. 19. AS 45.88.500(2) is amended by adding a new subparagraph to
15 read:

16 (E) a steam, hot water, or ducted hot air central
17 heating system that uses wood or coal for fuel;

18 * Sec. 20. Section 69(k)(2), ch. 113, SLA 1982, is amended to read:

19 (2) "multifamily housing project" means a specific build-
20 ing, structure, work, or improvement of five or more dwelling units,
21 or a group of these buildings, structures, works, or improvements, the
22 primary purpose of which is to provide rental dwelling accommodations
23 and which qualifies for tax-exempt financing under sec. 103 of the
24 Internal Revenue Code of 1954, as amended (26 U.S.C. sec. 103), or
25 sec. 11(b) of the National Housing Act of 1937, as amended [, AND
26 WHICH IS ORIGINALLY FINANCED BEFORE JANUARY 1, 1984]; "multifamily
27 housing project" includes the acquisition, construction, or rehabili-
28 tation of land, buildings, and improvements for rental dwellings,
29 accommodations, and other facilities that may be incidental or

1 appurtenant to rental dwelling accommodations.

2 * Sec. 21. AS 18.56.098(g)(2) and AS 44.47.385 are repealed.

3 * Sec. 22. Section 13 of this Act takes effect January 1, 1984.

4 * Sec. 23. Sections 1 - 12, and 14 - 21 of this Act take effect immedi-
5 ately in accordance with AS 01.10.070(c).

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Offered: 5/20/83
For Today's Calendar

Original sponsor: House Special Committee
on State Loans

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 302 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state housing loan and state
7 alternative technology loan programs; and providing
8 for an effective date."

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

10 * Section 1. AS 18.56.096(1) is amended to read:

11 (1) a first mortgage loan under this chapter for a duplex,
12 triplex, or four-plex that exceeds the limitations on first mortgage
13 loans for similar housing purchased by the Federal National Mortgage
14 Association as to principal amount and loan-to-value ratio; [OR]

15 * Sec. 2. AS 18.56.096(2) is amended to read:

16 (2) a second mortgage loan for a duplex, triplex, or four-
17 plex the amount of which, when combined with the principal balance of
18 a first mortgage loan on the property, exceeds the limitation on the
19 amount set out in (1) of this section or that has a loan-to-value
20 ratio, when considered with the principal balance of the first mort-
21 gage loan, that exceeds 90 percent; [.]

22 * Sec. 3. AS 18.56.096 is amended by adding new paragraphs to read:

23 (4) a first mortgage loan for a single-family residence
24 that exceeds the limitations on first mortgage loans for similar
25 housing purchased by the Federal National Mortgage Association as to
26 principal amount by more than 10 percent, or has a loan-to-value ratio
27 that exceeds 95 percent, or a second mortgage loan for a single-family
28 residence, the amount of which, when combined with the principal
29 balance of a first mortgage loan on the property, exceeds the

1 limitations on loans for similar housing purchased by the Federal
2 National Mortgage Association as to principal amount by more than 10
3 percent, or has a loan-to-value ratio, when considered with the prin-
4 cipal balance of the first mortgage loan, that exceeds 90 percent; or

5 (5) a first or second mortgage loan for rental housing
6 unless the borrower agrees not to discriminate against tenants or
7 prospective tenants because of sex, marital status, changes in marital
8 status, pregnancy, parenthood, race, religion, color, national origin,
9 or status as a student.

10 * Sec. 4. AS 18.56.098(g)(1) is amended to read:

11 (1) The interest rate on the first \$90,000 of a mortgage
12 loan purchased with the proceeds of an [THE FIRST] issue of taxable
13 bonds of the corporation is three percent less than [10 PERCENT OR]
14 the cost of funds of that issue, except that

15 (A) if the cost of funds of that issue is less than 10
16 percent, the interest rate is equal to the cost of funds; and

17 (B) if the cost of funds of that issue is more than 10
18 percent, the interest rate may not be less than 10 percent [,
19 WHICHEVER IS LESS].

20 * Sec. 5. AS 18.56.098(g)(5) is amended to read:

21 (5) The interest rate on the first \$90,000 of a mortgage
22 loan purchased with [FROM] money that is not the proceeds of either
23 taxable or tax-exempt bonds [APPROPRIATED TO THE CORPORATION] is the
24 rate the corporation determines is appropriate by application of the
25 provisions of (1) [- (4)] of this subsection. [THE RATE MAY BE BASED
26 ON AN ESTIMATE OF THE COST OF FUNDS OF A PROPOSED ISSUE OR ISSUES OF
27 BONDS.]

28 * Sec. 6. AS 18.56.101 is amended to read:

29 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The

1 following persons are eligible veterans for the purposes of AS 18.56.-
2 098(g) and (h):

3 (1) a person who served in the armed forces of the United
4 States for 90 days or more, or whose service was for less than 90 days
5 because of injury or disability incurred in the line of duty, after
6 April 6, 1917,

7 [(A) WHO AT THE TIME OF INDUCTION INTO THE SERVICE WAS
8 A RESIDENT OF THE TERRITORY OR STATE, WHO HAD BEEN A RESIDENT FOR
9 NOT LESS THAN ONE YEAR IMMEDIATELY BEFORE HIS INDUCTION, AND WHO
10 RETURNED TO THE TERRITORY OR STATE WITHIN ONE YEAR AFTER DIS-
11 CHARGE AS A RESIDENT WITH THE INTENTION OF REMAINING IN THE
12 TERRITORY OR STATE; OR

13 (B) WHO, NOT BEING A BONA FIDE RESIDENT OF THE TERRI-
14 TORY OR STATE AT THE TIME OF ENTRY INTO THE SERVICE, HAS BEEN A
15 RESIDENT OF THE TERRITORY OR STATE FOR AT LEAST ONE YEAR AT THE
16 TIME OF THE LOAN APPLICATION AND HAS BEEN A RESIDENT TO THE
17 TERRITORY OR STATE FOR AT LEAST FIVE YEARS; AND

18 (C)] whose discharge was under honorable conditions;

19 (2) the widow or widower of a member of the armed forces or
20 an eligible veteran if

21 [(A) THE MEMBER OR VETERAN WAS A RESIDENT OF THE TERRI-
22 TORY OR STATE FOR ONE YEAR BEFORE INDUCTION INTO THE SERVICE;

23 (B)] the member or veteran served in the armed forces
24 for at least 90 days after April 6, 1917 [;] and

25 [(C)] the veteran's [HIS] discharge was under honorable
26 conditions;

27 (3) a person who has served for not less than five years in
28 the Alaska Army National Guard, the Alaska Air National Guard, [OR]
29 the Alaska Naval Militia, or [WHO HAS SERVED IN] a reserve unit of the

1 United States armed forces [IN ALASKA] if the reserve unit required,
2 as a minimum, one weekend each month of duty and 15 consecutive days
3 of active duty training each year [FOR NOT LESS THAN FIVE YEARS] and
4 whose discharge was under honorable conditions.

5 * Sec. 7. AS 18.56.115 is amended to read:

6 Sec. 18.56.115. INDEPENDENT FINANCIAL ADVISOR. In negotiating
7 the private sale of bonds or bond anticipation notes to an under-
8 writer, the corporation may [SHALL] retain a financial advisor. A
9 financial advisor retained under this section must be [WHO IS] inde-
10 pendent from the underwriter.

11 * Sec. 8. AS 44.47.380 is amended to read:

12 Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created
13 in the Department of Community and Regional Affairs, as a revolving
14 loan fund, the housing assistance loan fund consisting of money appro-
15 priated to it by the legislature and repayments of principal of loans
16 made or purchased from the assets of the fund. Interest on loans made
17 or purchased from the assets of the fund must be transferred to the
18 Department of Revenue for deposit in the general fund. The director
19 shall administer the housing assistance loan fund in accordance with
20 AS 44.47.360 - 44.47.560 and shall use the money in the housing assis-
21 tance loan fund to originate, purchase, or participate in the purchase
22 of

23 (1) nonconforming and rural housing mortgage loans;

24 (2) loans made for building materials for nonconforming and
25 rural housing;

26 (3) loans made for renovations or improvements to noncon-
27 forming and rural housing;

28 (4) loans made for the construction of owner-occupied
29 nonconforming and rural housing other than loans to builders or

1 contractors or loans that compensate an owner for the owner's labor or
2 services in constructing the owner's own housing.

3 * Sec. 9. AS 44.47 is amended by adding a new section to read:

4 Sec. 44.47.382. HOME OWNERSHIP ASSISTANCE FUND. (a) There is
5 created in the Department of Community and Regional Affairs, the home
6 ownership assistance fund consisting of money appropriated to it by
7 the legislature. Money in the fund shall be used solely to assist
8 persons of lower and moderate income to purchase or construct single-
9 family homes financed under AS 44.47.360 - 44.47.560 by providing a
10 subsidy to those persons.

11 (b) The subsidy provided by this section may not exceed the
12 amount that is necessary to reduce the annual interest rate paid on
13 the mortgage loan to six percent.

14 (c) A mortgage loan that is subsidized from the home ownership
15 assistance fund may not exceed \$120,000.

16 (d) The division shall adopt regulations that establish maximum
17 income-to-loan payment ratios for persons who apply for a subsidy
18 under this section.

19 (e) In this section, "persons of lower and moderate income"
20 means individuals considered by the division to require assistance
21 under this section because of inadequate income or other limited
22 personal financial resources, taking into consideration

23 (1) the amount of total income available for housing needs;

24 (2) the size of the family;

25 (3) the cost and condition of available housing;

26 (4) standards established in various federal programs for
27 determining eligibility based on income;

28 (5) the ability to enter the private housing market and to
29 pay market amounts for decent, safe, and sanitary housing; and

1 (6) other factors considered relevant by the division.

2 * Sec. 10. AS 44.47.390(4) is amended to read:

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

12 * Sec. 11. AS 44.47.390 is amended by adding a new paragraph to read:

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

19 * Sec. 12. AS 44.47.410 is amended to read:

20 Sec. 44.47.410. INTEREST ON LOANS. (a) The interest rate on a
21 mortgage loan originated or purchased in whole or in part under
22 AS 44.47.380 for nonconforming housing that is not rural housing is
23 one-quarter percent more than [EQUAL TO] the interest rate, as deter-
24 mined under AS 18.56.098(g)(1) - (4), on a mortgage loan purchased
25 under AS 18.56.098(a) from the proceeds of the most recent applicable
26 issue of taxable bonds before the origination or purchase of the
27 mortgage loan originated or purchased under AS 44.47.380.

28 (b) The interest rate on a mortgage loan originated or purchased
29 in whole or in part under AS 44.47.380 for rural housing is one

1 percent less than the interest rate, as determined under AS 18.56.098-
2 (g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from
3 the proceeds of the most recent applicable issue of taxable bonds
4 before the origination or purchase of the mortgage loan originated or
5 purchased under AS 44.47.380 [10-1/2 PERCENT].

6 * Sec. 13. AS 44.47.560(5) is repealed and reenacted to read:

7 (5) "rural" means of or relating to a community in the
8 state with a population of 4,500 or less, as determined by the depart-
9 ment under AS 29.88.015, that

10 (A) is not connected by road or rail to Anchorage; or

11 (B) is connected by road or rail to Anchorage, but is
12 more than 50 air miles from Anchorage;

13 * Sec. 14. AS 45.88.500(2) is amended by adding a new subparagraph to
14 read:

15 (E) a steam, hot water, or ducted hot air central
16 heating system that uses wood or coal for fuel;

17 * Sec. 15. AS 18.56.098(g)(2) and AS 44.47.385 are repealed.

18 * Sec. 16. Section 10 of this Act takes effect January 1, 1984.

19 * Sec. 17. Sections 1 - 9, and 11 - 16 of this Act take effect immedi-
20 ately in accordance with AS 01.10.070(c).

Offered: 6/9/83
Referred: Finance

Original sponsor: House Special Committee
on State Loans

1 IN THE HOUSE BY THE LABOR AND COMMERCE COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 302 (L&C)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL
6 For an Act entitled: "An Act relating to state housing loan and state
7 alternative technology loan programs; and providing
8 for an effective date."

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

10 * Section 1. AS 18.55.996(a) is amended by adding a new paragraph to
11 read:

12 (14) Sitka Community Association (Baranof Island)

13 * Sec. 2. AS 18.56 is amended by adding a new section to read:

14 Sec. 18.56.082. ALASKA HOUSING FINANCE REVOLVING FUND. The
15 Alaska housing finance revolving fund is established in the corpora-
16 tion. The revolving fund consists of appropriations made to the
17 revolving fund by the legislature, money or other assets transferred
18 to the revolving fund by the corporation, repayments of principal and
19 interest on loans made or purchased by the corporation, and the earn-
20 ings on all other investments of the corporation that are not pledged
21 to the payment of bonds or required, under agreements with bond-
22 holders, to be otherwise held or disposed of. Amounts deposited in
23 the revolving fund shall be expended for the purposes of the corpora-
24 tion, set out in this chapter.

25 * Sec. 3. AS 18.56.089 is amended to read:

26 Sec. 18.56.089. EXECUTIVE BUDGET ACT. The operating budget of
27 the corporation is subject to the Executive Budget Act (AS 37.07). To
28 further ensure effective budgetary decision making by the legislature,
29 the corporation shall present a complete accounting of the Alaska

1 housing finance revolving fund to the legislature by January 10 of
2 each year. The accounting shall be audited by an independent outside
3 auditor and shall include a full description of all mortgage loan
4 interest and principal repayments and program receipts, including
5 mortgage loan commitment fees, received by or accrued to the
6 corporation during the preceding fiscal year, and all income earned on
7 assets of the corporation during that period, including earnings on
8 assets of the state assisted mortgage fund [FOR FISCAL YEARS BEGINNING
9 AFTER JUNE 30, 1981].

10 * Sec. 4. AS 18.56.096(1) is amended to read:

11 (1) a first mortgage loan under this chapter for a duplex,
12 triplex, or four-plex that exceeds the limitations on first mortgage
13 loans for similar housing purchased by the Federal National Mortgage
14 Association as to principal amount and loan-to-value ratio; [OR]

15 * Sec. 5. AS 18.56.096(2) is amended to read:

16 (2) a second mortgage loan for a duplex, triplex, or four-
17 plex the amount of which, when combined with the principal balance of
18 a first mortgage loan on the property, exceeds the limitation on the
19 amount set out in (1) of this section or that has a loan-to-value
20 ratio, when considered with the principal balance of the first mort-
21 gage loan, that exceeds 90 percent; [.]

22 * Sec. 6. AS 18.56.096 is amended by adding new paragraphs to read:

23 (4) a first mortgage loan for a single-family residence
24 that exceeds the limitations on first mortgage loans for similar
25 housing purchased by the Federal National Mortgage Association as to
26 principal amount by more than 10 percent, or has a loan-to-value ratio
27 that exceeds 95 percent, or a second mortgage loan for a single-family
28 residence, the amount of which, when combined with the principal
29 balance of a first mortgage loan on the property, exceeds the

1 limitations on loans for similar housing purchased by the Federal
2 National Mortgage Association as to principal amount by more than 10
3 percent, or has a loan-to-value ratio, when considered with the prin-
4 cipal balance of the first mortgage loan, that exceeds 90 percent; or

5 (5) a first or second mortgage loan for rental housing
6 unless the borrower agrees not to discriminate against tenants or
7 prospective tenants because of sex, marital status, changes in marital
8 status, pregnancy, parenthood, race, religion, color, national origin,
9 or status as a student.

10 * Sec. 7. AS 18.56.098(g)(1) is amended to read:

11 (1) The interest rate on the first \$90,000 of a mortgage
12 loan purchased with the proceeds of an [THE FIRST] issue of taxable
13 bonds of the corporation is three percent less than [10 PERCENT OR]
14 the cost of funds of that issue, except that

15 (A) if the cost of funds of that issue is less than 10
16 percent, the interest rate is equal to the cost of funds; and

17 (B) if the cost of funds of that issue is more than 10
18 percent, the interest rate may not be less than 10 percent [,
19 WHICHEVER IS LESS].

20 * Sec. 8. AS 18.56.098(g)(5) is amended to read:

21 (5) The interest rate on the first \$90,000 of a mortgage
22 loan purchased with [FROM] money that is not the proceeds of either
23 taxable or tax-exempt bonds [APPROPRIATED TO THE CORPORATION] is the
24 rate the corporation determines is appropriate by application of the
25 provisions of (1) [- (4)] of this subsection. [THE RATE MAY BE BASED
26 ON AN ESTIMATE OF THE COST OF FUNDS OF A PROPOSED ISSUE OR ISSUES OF
27 BONDS.]

28 * Sec. 9. AS 18.56.101 is amended to read:

29 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The

1 following persons are eligible veterans for the purposes of AS 18.56.-
2 098(g) and (h):

3 (1) a person who served in the armed forces of the United
4 States for 90 days or more, or whose service was for less than 90 days
5 because of injury or disability incurred in the line of duty, after
6 April 6, 1917,

7 [(A) WHO AT THE TIME OF INDUCTION INTO THE SERVICE WAS
8 A RESIDENT OF THE TERRITORY OR STATE, WHO HAD BEEN A RESIDENT FOR
9 NOT LESS THAN ONE YEAR IMMEDIATELY BEFORE HIS INDUCTION, AND WHO
10 RETURNED TO THE TERRITORY OR STATE WITHIN ONE YEAR AFTER DIS-
11 CHARGE AS A RESIDENT WITH THE INTENTION OF REMAINING IN THE
12 TERRITORY OR STATE; OR

13 (B) WHO, NOT BEING A BONA FIDE RESIDENT OF THE TERRI-
14 TORY OR STATE AT THE TIME OF ENTRY INTO THE SERVICE, HAS BEEN A
15 RESIDENT OF THE TERRITORY OR STATE FOR AT LEAST ONE YEAR AT THE
16 TIME OF THE LOAN APPLICATION AND HAS BEEN A RESIDENT TO THE
17 TERRITORY OR STATE FOR AT LEAST FIVE YEARS; AND

18 (C)] whose discharge was under honorable conditions;

19 (2) the widow or widower of a member of the armed forces or
20 an eligible veteran, if

21 [(A) THE MEMBER OR VETERAN WAS A RESIDENT OF THE TERRI-
22 TORY OR STATE FOR ONE YEAR BEFORE INDUCTION INTO THE SERVICE;

23 (B)] the member or veteran served in the armed forces
24 for at least 90 days after April 6, 1917 [;] and

25 [(C)] the veteran's [HIS] discharge was under honorable
26 conditions;

27 (3) a person who has served for not less than five years in
28 the Alaska Army National Guard, or the Alaska Air National Guard, [OR
29 THE ALASKA NAVAL MILITIA] or [WHO HAS SERVED IN] a reserve unit of the

1 United States armed forces [IN ALASKA] if the reserve unit required,
2 as a minimum, one weekend each month of duty and 15 consecutive days
3 of active duty training each year [FOR NOT LESS THAN FIVE YEARS] and
4 whose discharge was under honorable conditions.

5 * Sec. 10. AS 18.56.115 is amended to read:

6 Sec. 18.56.115. INDEPENDENT FINANCIAL ADVISOR. In negotiating
7 the private sale of bonds or bond anticipation notes to an under-
8 writer, the corporation may [SHALL] retain a financial advisor. A
9 financial advisor retained under this section must be [WHO IS] inde-
10 pendent from the underwriter.

11 * Sec. 11. AS 18.56 is amended by adding a new section to read:

12 Sec. 18.56.205. RESIDENTIAL MORTGAGE ASSISTANCE FOR MEMBERS OF
13 THE ALASKA DELEGATION TO CONGRESS. The corporation may extend the
14 special mortgage loan purchase program (AS 18.56.098) to purchase a
15 mortgage loan made for the purchase or rehabilitation of a residence
16 located in the District of Columbia or within 50 miles of the District
17 of Columbia to a member of the United States Congress from Alaska if
18 the member is otherwise qualified for assistance under the special
19 mortgage loan purchase program.

20 * Sec. 12. AS 44.47.380 is amended to read:

21 Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created
22 in the Department of Community and Regional Affairs, as a revolving
23 loan fund, the housing assistance loan fund consisting of money appro-
24 priated to it by the legislature and repayments of principal and
25 interest on loans made or purchased from the assets of the fund.
26 [INTEREST ON LOANS MADE OR PURCHASED FROM THE ASSETS OF THE FUND MUST
27 BE TRANSFERRED TO THE DEPARTMENT OF REVENUE FOR DEPOSIT IN THE GENERAL
28 FUND.] The director shall administer the housing assistance loan fund
29 in accordance with AS 44.47.360 - 44.47.560 and shall use the money in

1 the housing assistance loan fund to originate, purchase, or partici-
2 pate in the purchase of

3 (1) nonconforming and rural housing mortgage loans;

4 (2) loans made for building materials for nonconforming and
5 rural housing;

6 (3) loans made for renovations or improvements to noncon-
7 forming and rural housing;

8 (4) loans made for the construction of owner-occupied
9 nonconforming and rural housing other than loans to builders or con-
10 tractors or loans that compensate an owner for the owner's labor or
11 services in constructing the owner's own housing.

12 * Sec. 13. AS 44.47 is amended by adding a new section to read:

13 Sec. 44.47.382. HOME OWNERSHIP ASSISTANCE FUND. (a) There is
14 created in the Department of Community and Regional Affairs, the home
15 ownership assistance fund consisting of money appropriated to it by
16 the legislature. Money in the fund shall be used solely to assist
17 persons of lower and moderate income to purchase or construct single-
18 family homes financed under AS 44.47.360 - 44.47.560 by providing a
19 subsidy to those persons.

20 (b) The subsidy provided by this section may not exceed the
21 amount that is necessary to reduce the annual interest rate paid on
22 the mortgage loan to six percent.

23 (c) A mortgage loan that is subsidized from the home ownership
24 assistance fund may not exceed \$120,000.

25 (d) The division shall adopt regulations that establish maximum
26 income-to-loan payment ratios for persons who apply for a subsidy
27 under this section.

28 (e) In this section, "persons of lower and moderate income"
29 means individuals considered by the division to require assistance

1 under this section because of inadequate income or other limited
2 personal financial resources, taking into consideration

3 (1) the amount of total income available for housing needs;

4 (2) the size of the family;

5 (3) the cost and condition of available housing;

6 (4) standards established in various federal programs for
7 determining eligibility based on income;

8 (5) the ability to enter the private housing market and to
9 pay market amounts for decent, safe, and sanitary housing; and

10 (6) other factors considered relevant by the division.

11 * Sec. 14. AS 44.47.390(4) is amended to read:

12 (4) originate a direct loan for nonconforming or rural
13 housing or purchase or participate in the purchase of a nonconforming
14 or rural housing mortgage loan, other than a loan for the repair,
15 remodeling, rehabilitation, or expansion of an existing owner-occupied
16 residence, if the borrower has an outstanding housing loan made under
17 a state loan program, other than a loan for nonowner-occupied housing
18 under AS 44.47.520, that bears interest at a rate that was less than
19 the prevailing market interest rate for similar housing loans at the
20 time the loan was made.

21 * Sec. 15. AS 44.47.390 is amended by adding a new paragraph to read:

22 (5) originate a direct mortgage loan or purchase or partic-
23 ipate in the purchase of a mortgage loan for rental housing unless the
24 borrower agrees not to discriminate against tenants or prospective
25 tenants because of sex, marital status, changes in marital status,
26 pregnancy, parenthood, race, religion, color, national origin, or
27 status as a student.

28 * Sec. 16. AS 44.47.410 is amended to read:

29 Sec. 44.47.410. INTEREST ON LOANS. (a) The interest rate on a

1 mortgage loan originated or purchased in whole or in part under
2 AS 44.47.380 for nonconforming housing that is not rural housing is
3 one-quarter percent more than [EQUAL TO] the interest rate, as deter-
4 mined under AS 18.56.098(g)(1) - (4), on a mortgage loan purchased
5 under AS 18.56.098(a) from the proceeds of the most recent applicable
6 issue of taxable bonds before the origination or purchase of the
7 mortgage loan originated or purchased under AS 44.47.380.

8 (b) The interest rate on a mortgage loan originated or purchased
9 in whole or in part under AS 44.47.380 for rural housing is one per-
10 cent less than the interest rate, as determined under AS 18.56.098-
11 (g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from
12 the proceeds of the most recent applicable issue of taxable bonds
13 before the origination or purchase of the mortgage loan originated or
14 purchased under AS 44.47.380 [10-1/2 PERCENT].

15 * Sec. 17. AS 44.47 is amended by adding a new section to read:

16 Sec. 44.47.530. ANNUAL REPORT. The division shall prepare and
17 transmit an annual report that accounts to the governor and the legis-
18 lature for the discharge of all responsibility assigned by law or
19 directive to the division. The report shall be published by
20 January 10 of each year for distribution to the governor, the
21 legislature, and the public. The report shall be written in easily
22 understandable language, shall consider the assigned duties of the
23 division, and shall include

24 (1) a financial statement audited by an independent outside
25 auditor;

26 (2) a statement of the division's loans under this chapter
27 including an appraisal of the loans at market value;

28 (3) a description of the division's loan activities during
29 the period covered by the report;

1 (4) a comparison of the division's goals with its actual
2 performance during the period covered by the report;

3 (5) a description of the division's loan portfolio by
4 region within the four judicial districts of the state; and

5 (6) other information the director believes would be of
6 interest to the governor, the legislature, and the public.

7 * Sec. 18. AS 44.47.560(5) is repealed and reenacted to read:

8 (5) "rural" means of or relating to a community in the
9 state with a population of 4,500 or less, as determined by the depart-
10 ment under AS 29.88.015, that

11 (A) is not connected by road or rail to Anchorage; or

12 (B) is connected by road or rail to Anchorage, but is
13 more than 50 air miles from Anchorage;

14 * Sec. 19. AS 45.88.500(2) is amended by adding a new subparagraph to
15 read:

16 (E) a steam, hot water, or ducted hot air central
17 heating system that uses wood or coal for fuel;

18 * Sec. 20. AS 18.56.098(g)(2) and AS 44.47.385 are repealed.

19 * Sec. 21. Section 13 of this Act takes effect January 1, 1984.

20 * Sec. 22. Sections 1 - 12, and 14 - 20 of this Act take effect immedi-
21 ately in accordance with AS 01.10.070(c).

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SCS CSHB 302
 Title State loan programs
 Requested by Senate Finance Committee Date 6-20-83

II. FISCAL DETAIL
 Agency Affected Community and Regional Affairs
 Program Category Affected Housing Assistance
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES					141.0	
200 TRAVEL					41.0	
300 CONTRACTUAL					12.0	
400 COMMODITIES					29.0	
500 EQUIPMENT					3.0	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.					5,650.0	
TOTAL					5,867.0	

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)					5,867.0	

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME					5.0	
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section IID)

The operating funds for the HOF and low-income program shall come from program receipts. The \$5,000,000 in grants and claims shall come from unused AIDA Certificates of Deposit for the multi-family housing program established in ch. 114, SLA 1982.

IV. DATE 6-20-83 PREPARED BY Senator Frank R. Ferguson
 AGENCY Legislature
 Original: Legislative Finance PHONE 465-4923
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: CSHB 302 (Loans)
 Title: Relating to housing loans & State
 Sponsor: House Spc. Comm. on Loans Alt.
 Requestor: _____ Funds

II. FISCAL DETAIL

Agency Affected: Commerce & Econ. Develop.
 Program Category Affected: Development
 BRU, Program of Subprogram(s) Affected: _____
 Investments

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		41.4	43.5	45.7	48.0	50.4
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES		.8	.1	.1	.1	.1
500 EQUIPMENT		3.5	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		45.7	43.6	45.8	48.1	50.5

CAPITAL		0	0	0	0	0
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REVENUE		0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND		45.7	43.6	45.8	48.1	50.5
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME		1	1	1	1	1
PART-TIME						
TEMPORARY						
STAFF MONTHS		12	12	12	12	12

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Paul B. Arnoldt, Director *Paul B. Arnoldt* Phone: 465-2510
 Division: Investments Date: 5/6/83
 Approved by Commissioner: Richard A. Lyon *R. Lyon* Date: 5/9/83
 Department: Commerce and Economic Development

Distribution:

Original to Legislative Finance
 Copy to Office of Management and Budget (for Legislature introduced bills)
 Copy to Department (for Governor introduced bills)
 Copy to Sponsor
 Copy to Requestor (if different from Sponsor)

3/8/83

CSHB 302 (Loans)

FISCAL NOTE ANALYSIS

As a result of the split of the Division of Loans and Veterans' Affairs into the Division of Investment and the Division of Accounting & Collections, we anticipate an increase in our operating efficiency sufficient to be able to absorb a portion of the 350 additional loans that Section 17 of this bill will generate. This demand for 350 loans is based on an additional \$3.5 million being appropriated to the Alternative Technology and Energy Revolving Loan Fund in addition to the original FY '84 budget request.

FY '84

PERSONAL SERVICES

	<u>Location</u>	<u>Range</u>	<u>Months</u>	<u>Monthly</u>	<u>Annual</u>
1 Loan Examiner I-II	AWA	17	12	\$2,639.00	\$31,668.00
SBS @ .0613					1,941.00
Variable Benefits @ .1550					4,908.00
Fixed Benefits @ \$240 x 12					2,880.00
Total Personal Services					<u>\$41,397.00</u>

COMMODITIES

1 calculator	331.51
1 chair	247.47
Setup costs	40.00
Supplies	100.00
Total Commodities	<u>\$ 718.98</u>

EQUIPMENT

1 Support work station	\$ 3,536.50
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ELEVENTH LEGISLATURE

FISCAL NOTE

*Rec'd 6/21/83
from Sen.
Ferguson's
Office*

I. REQUEST
 Bill/Resolution No. SCS CSHB 302
 Title State loan programs
 Requested by Senate Finance Committee Date 6-20-83

II. FISCAL DETAIL
 Agency Affected Community and Regional Affairs
 Program Category Affected Housing Assistance
 BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES					141.0	
200 TRAVEL					41.0	
300 CONTRACTUAL					12.0	
400 COMMODITIES					29.0	
500 EQUIPMENT					3.0	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.					5,650.0	
TOTAL					5,867.0	

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)					5,867.0	

POSITIONS

FULL TIME					5.0	
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
 The operating funds for the HOF and low-income program shall come from program receipts. The \$5,000,000 in grants and claims shall come from unused AIDA Certificates of Deposit for the multi-family housing program established in ch. 114, SLA 1982.

IV. DATE 6-20-83 PREPARED BY Senator Frank R. Ferguson
 AGENCY Legislature
 PHONE 465-4923
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

6/18

Offered: 6/9/83
 Referred:

Original sponsor: House Special Committee
 on State Loans

IN THE HOUSE

BY THE FINANCE COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 302 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to state housing loan and state
 alternative technology loan programs; and providing
 for an effective date."

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

* Section 1. AS 18.55.996(a) is amended by adding a new paragraph to
 read:

(14) Sitka Community Association (Baranof Island)

* Sec. 2. AS 18.56 is amended by adding a new section to read:

Sec. 18.56.082. ALASKA HOUSING FINANCE REVOLVING FUND. The
 Alaska housing finance revolving fund is established in the
 corporation. The revolving fund consists of appropriations made to
 the revolving fund by the legislature, money or other assets
 transferred to the revolving fund by the corporation, ^{unrestricted} repayments of
 principal on loans made or purchased by the corporation. Amounts
 deposited in the revolving fund shall be expended for the purposes of
 the corporation, set out in this chapter.

* Sec. 3. AS 18.56.089 is amended to read:

Sec. 18.56.089. EXECUTIVE BUDGET ACT. The operating budget of
 the corporation is subject to the Executive Budget Act (AS 37.07). To
 further ensure effective budgetary decision making by the legislature,
 the corporation shall present a complete accounting of the Alaska
 housing finance revolving fund to the legislature by January 10 of
 each year. The accounting shall be audited by an independent outside
 auditor and shall include a full description of all mortgage loan

interest and principal repayments and program receipts, including mortgage loan commitment fees, received by or accrued to the corporation during the preceding fiscal year, and all income earned on assets of the corporation during that period, including earnings on assets of the state assisted mortgage fund [FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 1981].

* Sec. 4. AS 18.56.096(1) is amended to read:

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

* Sec. 5. AS 18.56.096(2) is amended to read:

(2) a second mortgage loan for a duplex, triplex, or four-plex the amount of which, when combined with the principal balance of a first mortgage loan on the property, exceeds the limitation on the amount set out in (1) of this section or that has a loan-to-value ration, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent; [.]

* Sec. 6. AS 18.56.096 is amended by adding new paragraphs to read:

(4) a first mortgage loan for a single-family residence that exceeds the limitations on first mortgage loans for similar housing purchased by the Federal National Mortgage Association as to principal amount by more than 10 percent, or has a loan-to-value ratio that exceeds 95 percent, or a second mortgage loan for a single-family residence, the amount of which, when combined with the principal balance of a first mortgage loan on the property, exceeds the limitations on loans for similar housing purchased by the Federal National Mortgage Association as to principal amount by more than 10 percent, or has a loan-to-value ratio, when considered with the

principal balance of the first mortgage loan, that exceeds 90 percent;
or

(5) a first or second mortgage loan for rental housing unless the borrower agrees not to discriminate against tenants or prospective tenants because of sex, marital status, changes in marital status, pregnancy, parenthood, race, religion, color, national origin, or status as a student.

* Sec. 7. AS 18.56.098(g)(1) is amended to read:

(1) The interest rate on the first \$90,000 of a mortgage loan purchased with the proceeds of an [THE FIRST] issue of taxable bonds of the corporation is three percent less than [10*PERCENT OR] the cost of funds of that issue, except that

(A) if the cost of funds of that issue is less than 10 percent, the interest rate is equal to the cost of funds; and

(B) if the cost of funds of that issue is more than 10 percent, the interest rate may not be less than 10 percent [, WHICHEVER IS LESS].

* Sec. 8. AS 18.56.098(g)(5) is amended to read:

(5) The interest rate on the first \$90,000 of a mortgage loan purchased with [FROM] money that is not the proceeds of either taxable or tax-exempt bonds [APPROPRIATED TO THE CORPORATION] is the rate the corporation determines is appropriate by application of the provision of (1) [- (4)] of this subsection. [THE RATE MAY BE BASED ON AN ESTIMATE OF THE COST OF FUNDS OF A PROPOSED ISSUE OR ISSUES OF BONDS.]

* Sec. 9. AS 18.56.101 is amended to read:

Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The following persons are eligible veterans for the purposes of AS 18.56.098(g) and (h):

(1) a person who served in the armed forces of the United States for 90 days or more, or whose service was for less than 90 days because of injury or disability incurred in the line of duty, after April 6, 11917,

[(A) WHO AT THE TIME OF INDUCTION INTO THE SERVICE WAS A RESIDENT OF THE TERRITORY OR STATE, WHO HAD BEEN A RESIDENT FOR NOT LESS THAN ONE YEAR IMMEDIATELY BEFORE HIS INDUCTION, AND WHO RETURNED TO THE TERRITORY OR STATE WITHIN ONE YEAR AFTER DISCHARGE AS A RESIDENT WITH THE INTENTION OF REMAINING IN THE TERRITORY OR STATE: OR

(B) WHO, NOT BEING A BONA FIDE RESIDENT OF THE TERRITORY OR STATE AT THE TIME OF ENTRY INTO THE SERVICE, HAS BEEN A RESIDENT OF THE TERRITORY OR STATE FOR AT LEAST ONE YEAR AT THE TIME OF THE LOAN APPLICATION AND HAS BEEN A RESIDENT TO THE TERRITORY OR STATE FOR AT LEAST FIVE YEARS: AND

(C)] whose discharge was under honorable conditions;

(2) the widow or widower of a member of the armed forces or an eligible veteran if

[(A) THE MEMBER OR VETERAN WAS A RESIDENT OF THE TERRITORY OR STATE FOR ONE YEAR BEFORE INDUCTION INTO THE SERVICE;

(B)] The member or veteran served in the armed forces for at least 90 days after April 6, 1917 [;] and

[(C)] the veteran's [HIS] discharge was under honorable conditions;

(3) a person who has served for not less than five years in the Alaska Army National Guard, or the Alaska Air National Guard, [OR THE ALASKA NAVAL MILITIA] or [WHO HAS SERVED IN] a reserve unit of the United States armed forces [IN ALASKA] if the reserve unit required,

as a minimum, one weekend each month of duty and 15 consecutive days of active duty training each year [FOR NOT LESS THAN FIVE YEARS] and whose discharge was under honorable conditions.

* Sec. 10. AS 18.56.115. is amended to read:

Sec. 18.56.115. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private sale of bonds or bond anticipation notes to an underwriter, the corporation may [SHALL] retain a financial advisor. A financial advisor retained under this section must be [WHO IS] independent from the underwriter.

* Sec. 11. AS 18.56 is amended by adding a new section to read:

Sec. 18.56.205 RESIDENTIAL MORTGAGE ASSISTANCE FOR MEMBERS OF THE ALASKA DELEGATION TO CONGRESS. The corporation may extend the special mortgage loan purchase program (AS 18.56.098) to purchase a mortgage loan made for the purchase or rehabilitation of a residence located in the District of Columbia or within 50 miles of the District of Columbia to a member of the United State Congress from Alaska if the member is otherwise qualified for assistance under the special mortgage loan purchase program.

* Sec. 12. AS 44.47.380 is amended to read:

Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created in the Department of community and Regional Affairs, as a revolving loan fund, the housing assistance loan fund consisting of money appropriated to it by the legislature and repayments of principal on loans made or purchased from the assets of the fund. [INTEREST ON LOANS MADE OR PURCHASED FROM THE ASSETS OF THE FUND MUST BE TRANSFERRED TO THE DEPARTMENT OF REVENUE FOR DEPOSIT IN THE GENERAL FUND.] The director shall administer the housing assistance loan fund in accordance with AS 44.47.360 - 44.47.560 and shall use the money in the housing assistance loan fund to originate, purchase, or

participate in the purchase of

- (1) nonconforming and rural housing mortgage loans;
- (2) loans made for building materials for nonconforming and rural housing;
- (3) loans made for renovations or improvements to nonconforming and rural housing;
- (4) loans made for the construction of owner-occupied nonconforming and rural housing other than loans to builders or contractors or loans that compensate an owner for the owner's labor or services in constructing the owner's own housing.

* Sec. 13. AS 44.47 is amended by adding a new section to read:

Sec. 44.47.382. HOME OWNERSHIP ASSISTANCE FUND. (a) There is created in the Department of Community and Regional Affairs, the home ownership assistance fund consisting of money appropriated to it by the legislature. Money in the fund shall be used solely to assist persons of lower and moderate income to purchase or construct single-family homes financed under AS 44.47.360 - 44.47.560 by providing a subsidy to those persons.

(b) The subsidy provided by this section may not exceed the amount that is necessary to reduce the annual interest rate paid on the mortgage loan to six percent.

(c) A mortgage loan that is subsidized from the home ownership assistance fund may not exceed \$120,000.

(d) The division shall adopt regulations that establish maximum income-to-loan payment ratios for persons who apply for a subsidy under this section.

(e) In this section, "persons of lower and moderate income" means individuals considered by the division to require assistance under this section because of inadequate income or other limited

personal financial resources, taking into consideration

- (1) the amount of total income available for housing needs;
- (2) the size of the family;
- (3) the cost and condition of available housing;
- (4) standards established in various federal programs for determining eligibility based on income;
- (5) the ability to enter the private housing market and to pay market amounts for decent, safe, and sanitary housing; and
- (6) other factors considered relevant by the division.

* Sec. 14. AS 44.47.390(4) is amended to read

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

* Sec. 15. AS 44.47.390 is amended by adding a new paragraph to read:

(5) originate a direct mortgage loan or purchase or participate in the purchase of a mortgage loan for rental housing unless the borrower agrees not to discriminate against tenants or prospective pregnancy, parenthood, race, religion, color, national origin, or status as a student.

* Sec. 16. AS 44.47.410 is amended to read:

Sec. 44.47.410. INTEREST ON LOANS. (a) The interest rate on a mortgage loan originated or purchased in whole or in part under AS 44.47.380 for a nonconforming housing that is not rural housing is

one-quarter percent more than [EQUAL TO] the interest rate, as determined under AS 18.56.098(g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from the proceeds of the most recent applicable issue of taxable bonds before the origination or purchase of the mortgage loan originated or purchased under AS 44.47.380.

(b) The interest reate on a mortgage loan originated or purchased in whole or in part under AS 44.47.380 for rural housing is one percent less than the interest rate, as determined under AS 18.56.098(g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from the proceeds of the most recent applicable issue of taxable bonds before the origination or purchase of the mortgage loan originated or purchased under AS 44.47.380 [10-½ PERCENT].

* Sec. 17. AS 44.47.530 ANNUAL REPORT. The division shall prepare and transmit an annual report that accounts to the governor and the legislature for the discharge of all responsibility assigned by law or directive to the division. The report shall be published by January 10 of each year for distribution to the governor, the legislature, and the public. The report shall be written in easily understandable language, shall consider the assigned duties of the division, and shall include

(1) a financial statement audited by an independent outside auditor;

(2) a statement of the division's loans under this chapter including an appraisal of the loans at market value;

(3) a description of the division's loan activities during the period covered by the report;

(4) a comparison of the division's goals with its actual performance during the period covered by the report;

(5) a description of the division's loan portfolio by

region within the four judicial districts of the state; and

(6) other information the director believes would be of interest to the governor, the legislature, and the public.

* Sec. 18. AS 44.47.385 is repealed and reenacted to read:

Not more than 20 percent of the total amount appropriated to the housing assistance loan fund may be allocated in communities other than those defined in AS 44.47.560(5).

* Sec. 19. AS 45.88.010(1) is amended to read:

(1) to develop means of energy production utilizing energy sources other than [FOSSIL OR] nuclear fuel including, but not limited to, windmills, water and solar energy devices; and

* Sec. 20. AS 45.88.030(c)(1) is amended to read:

(c) Loans made under this chapter may be used to finance

(1) the cost of purchase, construction, and installation of an alternative energy system or "centralized multifuel heating systems" which is likely to result in energy conservation or energy cost savings; or

* Sec. 21. AS 45.88.560(2) and (3) are amended to read:

(2)(E) a steam, hot water, or ducted hot air central heating system that uses wood or coal for fuel;

(3) does not include

(A) wood, coal, or [MULTIFUEL]^{heating} oil; or

(B) a fireplace or fireplace insert.

* Sec. 22. AS 44.47 is amended by adding new sections to read:

ARTICLE 12. LOW COST AND LOW INCOME

MULTIPLE FAMILY HOUSING DEVELOPMENT FUND.

AS 44.47.630 DECLARATION OF PURPOSE. There exists in the state a serious shortage of low cost multiple family residential housing available at low rentals. There also exists in the state

organizations whose purposes are to provide the housing needed to alleviate this shortage. Development work to provide this housing involves substantial expense that is often beyond the resources of the organizations.

Sec. 44.47.635. LOW COST AND LOW INCOME MULTIPLE FAMILY HOUSING DEVELOPMENT. (a) There is created in the Department of Community and Regional Affairs a low cost and low income multiple family housing development fund. Subject to appropriation or through proceeds of a bond issue, the department shall make grants to municipalities or public or private nonprofit corporations designated as tax exempt under 26 U.S.C. 501(c)(3) and (4) (Internal Revenue Code of 1954) for the purpose of developing low cost, low income multiple family housing. A grant from the proceeds of a bond issue may be made only to a municipality.

(b) Application for a grant under (a) of this section shall be in the form prescribed by the department. The application shall demonstrate the need for low cost, low income multiple family housing in the area to be served, the feasibility of the proposed project, and an adequate management plan that shall demonstrate the ability of the eligible recipient to sustain the proposed project.

(c) All projects under this section shall be in accordance with facility procurement policies developed under AS 35.10.160 - 35.10.200 and are public facilities under those sections.

(d) The department shall adopt regulations to carry out the purposes of this section. The provisions of the Administrative Procedure Act (AS 44.62) apply to regulations adopted under this section.

(e) In this section "low cost and low income multiple family housing" means a specific work or improvement undertaken primarily to

provide multiple family dwelling accommodations for low income persons. Low cost and low income multiple family housing includes the acquisition, construction, or rehabilitation of land, buildings, improvements, and other nonhousing facilities that are incidental or appurtenant to the housing.

* Sec. 23. Section 69(c)(8), ch. 113, SLA 1982, is amended to read:

(8) to use assets of the multifamily housing loans security fund to establish capital reserve funds to secure bonds issued in connection with the financing of multifamily housing projects and to provide a loan loss reserve for loans purchased by the multifamily housing loan account of the enterprise development fund.

* Sec. 24. Section 69(e), ch. 113, SLA 1982, is amended to read:

(e) A capital reserve fund established under this section to secure bonds issued in connection with the financing of multifamily housing projects is not subject to the \$10,000,000 limitation stated in AS 44.88.105(a). The provisions of AS 44.88.105(f) do not apply to capital reserve funds established to secure bonds issued to finance one or more multifamily housing projects.

* Sec. 25. Section 69(f), ch. 113, SLA 1982, is amended to read:

(f) A multifamily housing loan account is established in the enterprise development fund of the authority (AS 44.88.155), consisting of money and other assets of the enterprise development fund that the authority deposits into it. [HOWEVER, THE AUTHORITY MAY NOT DEPOSIT PROCEEDS FROM THE SALE OF BONDS OF THE AUTHORITY INTO THE MULTIFAMILY HOUSING LOAN ACCOUNT.] The multifamily housing loan account shall be used only to purchase or originate loans for multifamily housing projects. The authority may not use proceeds from the sale of bonds of the authority to finance secondary loans for multifamily housing. Notwithstanding the provisions of AS

44.88.155(d), a loan purchased or originate by the authority for the multifamily housing loan account

(1) may not be for a term longer than 30 years from the date the loan is made:

(2) shall be secured by a mortgage or other security instrument in the manner the authority determines is feasible to assure timely repayment under a loan agreement entered into with the borrower; the mortgage or other security instrument constitutes a first lien against the multifamily housing project, except that it may be subordinated by the authority to a loan made directly or indirectly with the proceeds of a sale of bonds by the authority, the Alaska State Housing Authority, or a municipality of the state during the time when the loan from these proceeds is outstanding, and may be subordinated to a loan that refinances the original loan, if the authority considers it appropriate to do so;

(3) shall provide for a schedule of payments of principal and interest that is satisfactory to the authority, and that may include, without limitation, deferrals or reductions of payments, variable payments, balloon payments, sharing in equity appreciation, and other arrangements;

(4) shall be in the form and contain the terms and provisions with respect to insurance, repairs, alterations, payment of taxes and assessments, default reserves, delinquency charges, default remedies, acceleration of maturity, secondary liens, and other matters as the authority prescribes.

* Sec. 26. Section 69(h), ch. 113, SLA 1982, is amended to read:

(h) The multifamily housing loans security fund is established in the authority. The multifamily housing loans security fund consists of money and assets appropriated or transferred to it, the

income produced from its investments and holdings, and deposits that the authority may make from repayments of multifamily housing loans purchased by the multifamily housing loan account of the enterprise development fund. The assets of the multifamily housing loans security fund may be used to establish capital reserve funds to secure bonds issued in connection with the financing of multifamily housing projects. The assets of [THE PURPOSE OF] the multifamily housing loans security fund may also be used [IS] to provide a loan loss reserve for the enterprise development fund for multifamily housing loans made by the authority from the multifamily housing loan account of the enterprise development fund. The multifamily housing loans security fund is not a general asset of the authority and may not be pledged or committed in any way except as provided in this subsection [TO PROVIDE A LOAN LOSS RESERVE FOR THE ENTERPRISE DEVELOPMENT FUND FOR MULTIFAMILY HOUSING LOANS MADE BY THE AUTHORITY FROM THE MULTIFAMILY HOUSING LOAN ACCOUNT OF THE ENTERPRISE DEVELOPMENT FUND]. The authority may

(1) establish separate accounts in the multifamily housing loans security fund for multifamily housing loans, as it finds appropriate, and may establish other accounts that it considers appropriate;

(2) hold and invest money and other assets of the multifamily housing loans security fund at competitive national market rates in the types of investments described in AS 37.10.070(a).

* Sec. 27. Section 69(k)(2), ch. 113, SLA 1982, is amended to read:

(2) "multifamily housing project" means a specific building, structure, work, or improvement of five or more dwelling units, or a group of these buildings, structures, works, or improvements, the primary purpose of which is to provide rental

dwelling accommodations and which qualifies for tax-exempt financing under sec. 103 of the Internal Revenue Code of 1954, as amended (26 U.S.C. sec. 103), or sec. 11(b) of the National Housing Act of 1937, as amended [, AND WHICH IS ORIGINALLY FINANCED BEFORE JANUARY 1, 1984]; "multifamily housing project" includes the acquisition, construction, or rehabilitation of land, buildings, and improvements for rental dwellings, accommodations, and other facilities that may be incidental or appurtenant to rental dwelling accommodations.

* Sec. 28. AS 18.56.098(g)(2) is repealed.

* Sec. 29. Section 13 of this Act takes effect January 1, 1984.

* Sec. 30. Sections 1 - 12, and 14 - 27 of this Act take effect immediately in accordance with AS 01.10.070(c).

Amendment to

SENATE CS FOR CS FOR HOUSE BILL NO. 302 (Finance)

* Sec. 19. Delete

* Sec. 20. Delete and replace with:

AS 45.88.030 is amended to read:

(f) The department shall give first priority of consideration to applicants requesting a loan for energy property as set forth in sec. 48(1) of the Internal Revenue Code (26 U.S.C. sec. 48(1)).

* Sec. 21. Delete and replace with:

AS 45.88.500 is amended to read:

AS 45.88.500(a) In this chapter, "alternative energy system"

(1) means a source of thermal, mechanical or electrical energy which is not dependent on oil or gas or a nuclear fuel for the supply of energy for space heating and cooling, refrigeration and cold storage, electrical power, mechanical power, or the heating of water;

(2) includes

(A) an alternative energy property as defined by sec. 48[(1)](1)(3)(A) of the Internal Revenue Code (26 U.S.C. sec. 48[(1)](1)(3)(A));

(B) a method of architectural design and construction which provides for the collection, storage and use of direct radiation from the sun;

(C) any other device approved by the commissioner of commerce and economic development under AS 44.33.040(12); and

(D) a woodstove with a catalytic converter or a catalytic converter for a wood stove[.]; and

~~(E) coal fired boiler systems.~~ Same as CS (2E)

(3) does not include

(A) [A WOOD, COAL, OR MULTIFUEL HEATING STOVE] a stove ~~or~~ furnace that uses only wood, coal or oil for fuel; or

(B) a fireplace or fireplace insert.

(b) Notwithstanding any other provision in this chapter, a multifuel heating system which uses the combination(s) of wood or fossil fuel(s) for fuel does qualify under this loan fund.

that section 1563(b)(2) shall not apply and "more than 50 percent" shall be substituted for "percent" each place it appears in section 1563

relationship between such persons would result in avoidance of losses under section 267 or 707(b), for these purposes a family of an individual includes his spouse and minor children.

In this subparagraph, the term "beneficial interest" means in the case of a corporation, profits interest; in the case of a partnership, or beneficial interest in the case of a trust or estate.

Use test; qualified investment.—In the case of

Subsection (a)(2) shall not apply, and

in allocating qualified investment under section 46(c) shall not be issued (in lieu of the basis of the property) to the qualified United States production costs paragraph (5)).

United States production costs.—

Definition.—For purposes of this subsection, the term "United States production costs" means with respect to

production costs allocable to the United States,

10 percent or more of the direct production costs allocable to the United States, all other production costs allocable outside the United States.

Direct production costs.—For purposes of this subsection, the term "direct production costs" includes—

(A) reasonable allocation of general overhead costs, including transportation (other than participations described in paragraph (1)) for services performed by actors, production designers, directors, and producers,

(B) the cost of "first" distribution of prints, and the cost of the screen rights and other material

"beneficial interests" payable under contracts with labor organizations and

participations payable as compensation to actors, production designers, personnel, directors, and producers.

(C) all qualified films placed in service by a taxable year shall be taken into account under this subsection to the extent of the lesser of 25 percent of the aggregate production costs or 12½ percent of the aggregate qualified production costs (other than costs described in clause (vi) of this subparagraph) for such films,

(D) the amount for both the 25 percent limit and 12½ percent limit shall not exceed \$1,000,000 in participations for any taxable year with respect to any one film. For purposes of this subsection, the term "qualified production costs" (other than clauses (v) and (vi) and the term "direct production costs" shall be taken into account only if such costs are

direct production costs. For purposes of this paragraph, the term "direct production costs" does not include items described in clauses (i), (iv), (v), or (vi) of subparagraph (B). It also does not include advertising and promotional costs unless such costs as may be provided in regulations prescribed by the Secretary.

(E) For purposes of this subsection, the term "United States production costs" means with respect to production costs allocable to the United States, 10 percent or more of the direct production costs allocable to the United States, all other production costs allocable outside the United States.

Direct production costs.—For purposes of this paragraph, the term "direct production costs" does not include items described in clauses (i), (iv), (v), or (vi) of subparagraph (B). It also does not include advertising and promotional costs unless such costs as may be provided in regulations prescribed by the Secretary.

(D) Allocation of direct production costs.—For purposes of this paragraph—

(i) Compensation for services performed shall be allocated to the country in which the services are performed, except that payments to United States persons for services performed outside the United States shall be allocated to the United States. For purposes of the preceding sentence, payments to an S corporation or a partnership shall be considered payments to a United States person only to the extent that such payments are included in the gross income of a United States person other than an electing small business corporation or partnership.

(ii) Amounts for equipment and supplies shall be allocated to the country in which, with respect to the production of the film, the predominant use occurs.

(iii) All other items shall be allocated under regulations prescribed by the Secretary which are consistent with the allocation principle set forth in clause (ii).

(E) United States.—For purposes of this subsection, the term "United States" includes the possessions of the United States.

(F) Energy property.—For purposes of this subpart—

(1) Treatment as section 38 property.—For any period for which the energy percentage determined under section 46(a)(2)(C) for any energy property is greater than zero—

(A) such energy property shall be treated as meeting the requirements of paragraph (1) of subsection (a), and

(B) paragraph (3) of subsection (a) shall not apply to such property.

(2) Energy property defined.—The term "energy property" means property—

(A) which is—

(i) alternative energy property,

(ii) solar wind energy property,

(iii) specially defined energy property,

(iv) recycling equipment,

(v) shale oil equipment,

(vi) equipment for producing natural gas from geopressured brine,

(vii) qualified hydroelectric generating property,

(viii) cogeneration equipment, or

(ix) qualified intercity buses,

(B) (i) the construction, reconstruction, or erection of which is completed by the taxpayer after September 30, 1978, or

(ii) which is acquired after September 30, 1978, if the original use of such property commences with the taxpayer and commences after such date, and

(C) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and which has a useful life (determined as of the time such property is placed in service) of 3 years or more or which is recovery property (within the meaning of section 168).

(3) Alternative energy property.—

(A) In general.—The term "alternative energy property" means—

(i) a boiler the primary fuel for which will be an alternate substance,

(ii) a burner (including necessary on-site equipment to bring the alternate substance to the burner) for a combustor other than a boiler if the primary fuel for such burner will be an alternate substance.

(iii) equipment for converting an alternate substance into a synthetic liquid, gaseous, or solid fuel,

(iv) equipment designed to modify existing equipment which uses oil or natural gas as a fuel or as feedstock so that such equipment will use either a substance other than oil and natural gas, or oil mixed with a substance other than oil and natural gas (where such other substance will provide not less than 25 percent of the fuel or feedstock).

(v) equipment to convert—

(I) coal (including lignite), or any nonmarketable substance derived therefrom, into a substitute for a petroleum or natural gas derived feedstock for the manufacture of chemicals or other products, or

(II) coal (including lignite), or any substance derived therefrom, into methanol, ammonia, or a hydro-processed coal liquid or solid,

(vi) pollution control equipment required (by Federal, State, or local regulations) to be installed on or in connection with equipment described in clause (i), (ii), (iii), (iv), or (v),

(vii) equipment used for the unloading, transfer, storage, reclaiming from storage, and preparation (including, but not limited to, washing, crushing, drying, and weighing) at the point of use of an alternate substance for use in equipment described in clause (i), (ii), (iii), (iv), (v), or (vi),

(viii) equipment used to produce, distribute, or use energy derived from a geothermal deposit (within the meaning of section 613(e)(3)), but only, in the case of electricity generated by geothermal power, up to (but not including) the electrical transmission stage, and

(ix) equipment, placed in service at either of 2 locations designated by the Secretary after consultation with the Secretary of Energy, which converts ocean thermal energy to usable energy.

The equipment described in clause (vii) includes equipment used for the storage of fuel derived from garbage at the site at which such fuel was produced from garbage.

(B) *Alternate substance.*—The term "alternate substance" means any substance other than—

(i) oil and natural gas, and

(ii) any product of oil and natural gas.

(C) *Special rule for certain pollution control equipment.*—The term "pollution control equipment" does not include any equipment which—

(i) is installed on or in connection with property which, as of October 1, 1978, was using coal (including lignite), and

(ii) was required to be installed by Federal, State, or local regulations in effect on such date.

For purposes of the preceding sentence, in the case of property which is alternative energy property solely by reason of the amendments made by section 222(b) of the Crude Oil Windfall Profit Tax Act of 1980, "January 1, 1980" shall be substituted for "October 1, 1978".

(4) *Solar or wind energy property.*—The term "solar or wind energy property" means any equipment which uses solar or wind energy—

(A) to generate electricity,

equipment for converting an alternate substance into a synthetic liquid, gaseous, or solid fuel,

equipment designed to modify existing equipment to use oil or natural gas as a fuel or as feedstock so that the equipment will use either a substance other than natural gas, or oil mixed with a substance other than natural gas (where such other substance will constitute not less than 25 percent of the fuel or feedstock), or equipment to convert—

(i) coal (including lignite), or any nonmarketable substance derived therefrom, into a substitute for a petroleum or natural gas derived feedstock for the manufacture of chemicals or other products, or

(ii) coal (including lignite), or any substance derived therefrom, into methanol, ammonia, or a hydrocarbon liquid or solid,

(iii) pollution control equipment required (by Federal, State, or local regulations) to be installed on or in connection with equipment described in clause (i), (ii), (iii), (iv), (v), (vi), or (vii),

(iv) equipment used for the unloading, transfer, storing, or removal from storage, and preparation (including cleaning, washing, crushing, drying, and weighing) at a point of use of an alternate substance for use in a process described in clause (i), (ii), (iii), (iv), (v), or (vi),

(v) equipment used to produce, distribute, or use energy from a geothermal deposit (within the meaning of section 613(e)(3)), but only in the case of electricity produced by geothermal power, up to (but not including) the electrical transmission stage, and

(vi) equipment, placed in service at either of 2 locations specified by the Secretary after consultation with the Secretary of Energy, which converts ocean thermal energy to electricity.

(vii) equipment described in clause (vii) includes equipment for the storage of fuel derived from garbage at the site at which the waste was produced from garbage.

(viii) alternate substance.—The term "alternate substance" means any substance other than—
(A) natural gas, and
(B) a product of oil and natural gas.

(ix) equipment for certain pollution control equipment.—The term "pollution control equipment" does not include any equipment—

(i) installed on or in connection with property which, on or after January 1, 1978, was using coal (including lignite), or

(ii) required to be installed by Federal, State, or local regulations in effect on such date.

(iii) the preceding sentence, in the case of property which is a specially defined energy property solely by reason of the amendments made by section 222(b) of the Crude Oil Windfall Profit Act of 1980, "January 1, 1980" shall be substituted for "1978".

(x) energy property.—The term "solar or wind energy property" means any equipment which uses solar or wind energy to produce electricity.

electricity.

(B) to heat or cool (or provide hot water for use in) a structure, or

(C) to provide solar process heat.

(5) Specially defined energy property.—The term "specially defined energy property" means—

(A) a recuperator,

(B) a heat wheel,

(C) a regenerator,

(D) a heat exchanger,

(E) a waste heat boiler,

(F) a heat pipe,

(G) an automatic energy control system,

(H) a turbulator,

(I) a preheater,

(J) a combustible gas recovery system,

(K) an economizer,

(L) modifications to alumina electrolytic cells,

(M) modifications to chlor-alkali electrolytic cells, or

(N) any other property of a kind specified by the Secretary by regulations,

the principal purpose of which is reducing the amount of energy consumed in any existing industrial or commercial process and which is installed in connection with an existing industrial or commercial facility. The Secretary shall not specify any property under subparagraph (N) unless he determines that such specification meets the requirements of paragraph (9) of section 44C(c) for specification of items under section 44C(c)(4)(A)(viii).

(6) Recycling equipment.—

(A) In general.—The term "recycling equipment" means any equipment which is used exclusively—

- (i) to sort and prepare solid waste for recycling, or
- (ii) in the recycling of solid waste.

(B) Certain equipment not included.—The term "recycling equipment" does not include—

- (i) any equipment used in a process after the first marketable product is produced, or
- (ii) in the case of recycling iron or steel, any equipment used to reduce the waste to a molten state and in any process thereafter.

(C) 10 percent virgin material allowed.—Any equipment used in the recycling of material which includes some virgin materials shall not be treated as failing to meet the exclusive use requirements of subparagraph (A) if the amount of such virgin materials is 10 percent or less.

(D) Certain equipment included.—The term "recycling equipment" includes any equipment which is used in the conversion of solid waste into a fuel or into useful energy such as steam, electricity, or hot water.

(7) Shale oil equipment.—The term "shale oil equipment" means equipment for producing or extracting oil from oil-bearing shale rock; except that such term does not include equipment for hydrogenation, refining, or other process subsequent to retorting other than hydrogenation or other process which is applied in the vicinity of the property from which the shale was extracted and which is applied to bring the shale oil to a grade and quality suitable for transportation to and processing in a refinery.

(8) Equipment for producing natural gas from geopressured brine.—The term "equipment for producing natural gas from geopressured brine" means equipment which is used exclusively to extract natural gas described in section 613A(b)(3)(C)(i).

(9) Equipment must meet certain standards to qualify.—Equipment qualifies under paragraph (3), (4), (5), (6), (7), or (8) only if it meets the performance and quality standards (if any) which—

(A) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy), and

(B) are in effect at the time of the acquisition of the property.

(10) Existing.—For purposes of this subsection, the term "existing" means—

(A) when used in connection with a facility, 50 percent or more of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or

(B) when used in connection with an industrial or commercial process, such process was carried on in the facility as of October 1, 1978.

(11) Special rule for property financed by subsidized energy financing or industrial development bonds.—

(A) Reduction of qualified investment.—For purposes of applying the energy percentage to any property, if such property is financed in whole or in part by—

(i) subsidized energy financing, or

(ii) the proceeds of an industrial development bond (within the meaning of section 103(b)(2)) the interest on which is exempt from tax under section 103.

the amount taken into account as qualified investment shall not exceed the amount which (but for this subparagraph) would be the qualified investment multiplied by the fraction determined under subparagraph (B).

(B) Determination of fraction.—For purposes of subparagraph (A), the fraction determined under this subparagraph is 1 reduced by a fraction—

(i) the numerator of which is that portion of the qualified investment in the property which is allocable to such financing or proceeds, and

(ii) the denominator of which is the qualified investment in the property.

(C) Subsidized energy financing.—For purposes of subparagraph (A), the term "subsidized energy financing" means financing provided under a Federal, State, or local program a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy.

(12) Industrial includes agricultural.—The term "industrial" includes agricultural.

(13) Qualified hydroelectric generating property.—

(A) In general.—The term "qualified hydroelectric generating property" means property installed at a qualified hydroelectric site which is—

(i) equipment for increased capacity to generate electricity by water (up to, but not including, the electrical transmission stage), and

(ii) structures for housing such generating equipment, fish passageways, and dam rehabilitation property, required by reason of the installation of equipment described in clause (i).

(B) Qualified hydroelectric site.—The term "qualified hydroelectric site" means any site—

(i) at which—

(I) there is a dam the construction of which was completed before October 18, 1979, and which was not significantly enlarged after such date, or

ment must meet certain standards to qualify. For purposes of paragraph (3), (4), (5), (6), (7), or (8) and the performance and quality standards (if any) which have been prescribed by the Secretary by regulation (in consultation with the Secretary of Energy), and which are in effect at the time of the acquisition of the property.

For purposes of this subsection, the term "dam"

when used in connection with a facility, 50 percent of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or when used in connection with an industrial or commercial process such process was carried on in the facility before October 1, 1978.

For purposes of this subsection, the term "dam"

when used in connection with a facility, 50 percent of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or when used in connection with an industrial or commercial process such process was carried on in the facility before October 1, 1978.

For purposes of this subsection, the term "dam"

when used in connection with a facility, 50 percent of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or when used in connection with an industrial or commercial process such process was carried on in the facility before October 1, 1978.

For purposes of this subsection, the term "dam"

when used in connection with a facility, 50 percent of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or when used in connection with an industrial or commercial process such process was carried on in the facility before October 1, 1978.

For purposes of this subsection, the term "dam"

when used in connection with a facility, 50 percent of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or when used in connection with an industrial or commercial process such process was carried on in the facility before October 1, 1978.

For purposes of this subsection, the term "dam"

when used in connection with a facility, 50 percent of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or when used in connection with an industrial or commercial process such process was carried on in the facility before October 1, 1978.

For purposes of this subsection, the term "dam"

when used in connection with a facility, 50 percent of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or when used in connection with an industrial or commercial process such process was carried on in the facility before October 1, 1978.

For purposes of this subsection, the term "dam"

when used in connection with a facility, 50 percent of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or when used in connection with an industrial or commercial process such process was carried on in the facility before October 1, 1978.

For purposes of this subsection, the term "dam"

when used in connection with a facility, 50 percent of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or when used in connection with an industrial or commercial process such process was carried on in the facility before October 1, 1978.

For purposes of this subsection, the term "dam"

when used in connection with a facility, 50 percent of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or when used in connection with an industrial or commercial process such process was carried on in the facility before October 1, 1978.

For purposes of this subsection, the term "dam"

when used in connection with a facility, 50 percent of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or when used in connection with an industrial or commercial process such process was carried on in the facility before October 1, 1978.

For purposes of this subsection, the term "dam"

when used in connection with a facility, 50 percent of the basis of such facility is attributable to construction, reconstruction, or erection before October 1, 1978, or when used in connection with an industrial or commercial process such process was carried on in the facility before October 1, 1978.

(II) electricity is to be generated without any dam or other impoundment of water, and

(II) the installed capacity of which is less than 125 megawatts.

(C) Limitation on credit when installed capacity exceeds 25 megawatts.—For purposes of applying the energy percentage to any qualified hydroelectric generating property placed in service in connection with a site the installed capacity of which exceeds 25 megawatts, the amount taken into account as qualified investment shall not exceed the amount which (but for this subparagraph) would be the qualified investment multiplied by a fraction—

(i) the numerator of which is 25 reduced by 1 for each whole megawatt by which such installed capacity exceeds 100 megawatts, and

(ii) the denominator of which is the number of megawatts of such installed capacity but not in excess of 100.

(D) Dam rehabilitation property.—For purposes of this paragraph the term "dam rehabilitation property" means any amount properly chargeable to capital account for property (or additions or improvements to property) in connection with the rehabilitation of a dam.

(E) Installed capacity.—The term "installed capacity" means, with respect to any site, the installed capacity of all electrical generating equipment placed in service at such site. Such term includes the capacity of equipment installed during the 3 taxable years following the taxable year in which the equipment is placed in service.

(F) Cogeneration equipment.—

(A) In general.—The term "cogeneration equipment" means property which is an integral part of a system for using the same fuel to produce both qualified energy and electricity at an industrial or commercial facility at which, as of January 1, 1980, electricity or qualified energy was produced.

(B) Only cogeneration increases taken into account.—The term "cogeneration equipment" includes property only to the extent that such property increases the capacity of the system to produce qualified energy or electricity, whichever is the secondary energy product of the system.

(C) Limitation on use of oil or gas.—The term "cogeneration equipment" does not include any property which is part of a system if—

(i) such system uses oil or natural gas (or a product of oil or natural gas) as a fuel for any purpose other than—

- (I) start-up,
- (II) flame control, or
- (III) back-up, or

(ii) more than 20 percent (determined on a Btu basis) of the fuel for such system for any taxable year consists of oil or natural gas (or a product of oil or natural gas).

(D) Qualified energy.—The term "qualified energy" means steam, heat, or other forms of useful energy (other than electric energy) to be used for industrial, commercial, or space-heating purposes (other than in the production of electricity).

(E) Industrial includes purification and desalination of water.—The term "industrial" includes the purification of water and the desalination of water.

(15) Biomass property.—**(A) In general.—**The term "biomass property" means—**(i)** any property described in clause (i), (ii), or (iii) of paragraph (3)(A), as modified by the last sentence of paragraph (3)(A) and by subparagraph (B) of this paragraph, and**(ii)** any equipment described in so much of clause (vi) or (vii) of paragraph (3)(A) as relates to property described in clause (i) of this subparagraph.**(B) Modifications.—**For purposes of subparagraph (A)—**(i)** the term "alternate substance" has the meaning given to such term by paragraph (3)(B), except that such term does not include any inorganic substance and does not include coal (including lignite) or any product of such coal, and**(ii)** clause (iii) of paragraph (3)(A) shall be applied by substituting "a qualified fuel" for "a synthetic liquid, gaseous, or solid fuel".**(C) Qualified fuel.—**For purposes of subparagraph (B), the term "qualified fuel" means—**(i)** any synthetic solid fuel, and**(ii)** alcohol for fuel purposes if the primary source of energy for the facility producing the alcohol is not oil or natural gas or a product of oil or natural gas.**(16) Qualified intercity buses.—****(A) In general.—**Paragraph (2)(A)(ix) shall apply only with respect to the qualified investment in qualified intercity buses of a taxpayer—**(i)** which is a common carrier regulated by the Interstate Commerce Commission or an appropriate State agency (as determined by the Secretary), and**(ii)** which is engaged in the trade or business of furnishing intercity passenger transportation or intercity charter service by bus.**(B) Qualified intercity bus.—**The term "qualified intercity bus" means an automobile bus—**(i)** the chassis and body of which is exempt under section 4063(a)(6) from the tax imposed by section 4061(a),**(ii)** which has—**(I)** a seating capacity of more than 35 passengers (in addition to the driver), and**(II)** 1 or more baggage compartments, separated from the passenger area, with a capacity of at least 200 cubic feet, and**(iii)** which is used predominantly by the taxpayer in the trade or business of furnishing intercity passenger transportation or intercity charter service.**(C) Operating capacity must increase.—**Under regulations prescribed by the Secretary—**(i) In general.—**The amount of qualified investment taken into account under paragraph (2)(A)(ix) for any taxable year shall not exceed the amount of the qualified investment which is attributable to an increase in the taxpayer's total operating seating capacity for the taxable year over such capacity as of the close of the preceding taxable year.**(ii) Special rules.—**The regulations prescribed under this subparagraph—**(I)** shall provide that only buses used predominantly on a full-time basis in the trade or business of fur-

mass property.—

In general.—The term "biomass property" means—

(i) any property described in clause (i), (ii), or (iii) of paragraph (3)(A), as modified by the last sentence of paragraph (3)(A) and by subparagraph (B) of this paragraph, and

(ii) any equipment described in so much of clause (vii) of paragraph (3)(A) as relates to property listed in clause (i) of this subparagraph.

Modifications.—For purposes of subparagraph (A)—

(i) the term "alternate substance" has the meaning given to such term by paragraph (3)(B), except that such term does not include any inorganic substance and does not include coal (including lignite) or any product of such coal, and

(ii) clause (iii) of paragraph (3)(A) shall be applied substituting "a qualified fuel" for "a synthetic liquid, gaseous, or solid fuel".

Qualified fuel.—For purposes of subparagraph (B), the term "qualified fuel" means—

(i) any synthetic solid fuel, and

(ii) alcohol for fuel purposes if the primary source of energy for the facility producing the alcohol is not oil or natural gas or a product of oil or natural gas.

Qualified intercity buses.—

In general.—Paragraph (2)(A)(i) shall apply only with respect to the qualified investment in qualified intercity buses owned by a taxpayer—

(i) which is a common carrier regulated by the Interstate Commerce Commission or an appropriate State agency (as determined by the Secretary), and

(ii) which is engaged in the trade or business of furnishing intercity passenger transportation or intercity charter service by bus.

Qualified intercity bus.—The term "qualified intercity bus" means an automobile bus—

(i) the chassis and body of which is exempt under section 4063(a)(6) from the tax imposed by section 4061(a), and

(ii) which has—

(I) a seating capacity of more than 25 passengers (in addition to the driver), and

(II) 1 or more baggage compartments separated from the passenger area, with a capacity of at least 200 cubic feet, and

(iii) which is used predominantly by the taxpayer in the trade or business of furnishing intercity passenger transportation or intercity charter service.

Operating capacity must increase.—Under regulations prescribed by the Secretary—

In general.—The amount of qualified investment taken into account under paragraph (2)(A) for any taxable year shall not exceed the amount of the qualified investment which is attributable to an increase in the taxpayer's total operating seating capacity for the taxable year over such capacity as of the close of the preceding taxable year.

Special rules.—The regulations prescribed under this subparagraph—

(i) shall provide that only buses used predominantly on a full-time basis in the trade or business of furnishing intercity passenger or intercity charter service shall be taken into account in determining the taxpayer's total operating seating capacity, and

(ii) shall provide rules treating related taxpayers as 1 person.

(17) Exclusion for public utility property.—The terms "alternative energy property", "biomass property", "solar or wind energy property", "recycling equipment", and "cogeneration property" do not include property which is public utility property (within the meaning of section 46(f)(5)).

(18) Application of certain transitional rules.—Where the application of any provision of subsection (l) of this section or subsection (a)(2) or (3) of section 46 is expressed in terms of a period, such provision shall apply only to—

(1) property to which section 46(d) does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer on or after the first day of such period, but only to the extent of the basis thereof attributable to the construction, reconstruction, or erection during such period,

(2) property to which section 46(d) does not apply, acquired by the taxpayer during such period and placed in service by the taxpayer during such period, and

(3) property to which section 46(d) applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46) with respect to qualified progress expenditures made during such period.

(19) Requirements for allowance of employee plan percentage.—

(1) In general.—

(A) Basic employee plan percentage.—The basic employee plan percentage shall not apply to any taxpayer for any taxable year unless the taxpayer on his return for such taxable year agrees, as a condition for the allowance of such percentage—

(i) to make transfers of employer securities to a tax credit employee stock ownership plan maintained by the taxpayer having an aggregate value which does not exceed 1 percent of the amount of the qualified investment (as determined under subsections (c) and (d) of section 46) for the taxable year, and

(ii) to make such transfers at the times prescribed in subparagraph (C).

(B) Matching employee plan percentage.—The matching employee plan percentage shall not apply to any taxpayer for any taxable year unless the basic employee plan percentage applies to such taxpayer for such taxable year, and the taxpayer on his return for such taxable year agrees, as a condition for the allowance of the matching employee plan percentage—

(i) to make transfers of employer securities to a tax credit employee stock ownership plan maintained by the employer having an aggregate value equal to the lesser of—

(I) the sum of the qualified matching employee contributions made to such plan for the taxable year, or

(II) one-half of 1 percent of the amount of the qualified investment (as determined under subsections (c) and (d) of section 46) for the taxable year, and

(ii) to make such transfers at the times prescribed in subparagraph (C).

(C) Times for making transfers.—The aggregate of the transfers required under subparagraphs (A) and (B) shall be made—

Analysis of AHFC/DCRA Comparison

(As presented by Senator Faiks to Senate Finance 6/16/83)

The Division of Housing Assistance was created by the 1980 Alaska Legislature to fill the need for rural housing service delivery. Although AHFC was initially designed to perform such delivery, and this agency still retains statewide authority to operate, in fact no significant increase in rural housing services were realized. The proposal to create a Home Ownership Assistance Fund within DCRA is to assure access to persons of low to moderate income living in rural Alaska to conventional financing for available housing. It is designed as a parallel program to the Home Ownership Fund within AHFC.

As shown in Senator Faiks' comparison of AHFC's existing lower and moderate income housing program and DCRA's proposed Home Ownership Assistance Program, both are designed to assist persons lower and moderate income.

Also shown in Senator Faiks' comparison are larger maximums for both housing and income for DCRA's programs. This is a direct result of research which indicated that the median cost of new construction in 1981-82 for a single family residence in rural Alaska was \$118,250. DCRA finds there are relatively few new houses in rural Alaska selling below \$100,000.

AHFC's program for two adults and two children allows income maximums of \$34,500. The proposed DCRA program for two adults and two children would allow a slightly higher income maximum of \$36,500. As the income distribution in rural Alaska is greatest in the category of \$30,000 to \$39,000 annual salary, this program meets the needs of persons earning in this range or below.

The assets maximums of three times income for all borrowers is established within the proposed DCRA program.

The loan to value ratios for DCRA remain at 95% maximum for a buy/sell transaction and 85% maximum for owner-builders. This program does not apply to nonowner-occupied housing.

Analysis of AHFC/DCRA Comparison

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STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: CSHR 302 (Loans)
 Title: Relating to housing Loans & State
 Sponsor: House Spec. Committee on Loans
 Requestor: _____

II. FISCAL DETAIL

Agency Affected: Commerce & Econ. Develop
 Program Category Affected: Development
 AltBRU, Program of Subprogram(s) Affected:
 Fund) Accounting & Collections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		32.3	35.6	37.4	39.2	41.2
200 TRAVEL						
300 CONTRACTUAL		2.5	2.8	2.9	3.1	3.2
400 COMMODITIES		1.4	.4	.4	.4	.5
500 EQUIPMENT		2.2	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		38.4	38.8	40.7	42.7	44.9
CAPITAL		0	0	0	0	0
REVENUE		0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND		38.4	38.8	40.7	42.7	44.9
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME		0	0	0	0	0
PART-TIME		2	2	2	2	2
TEMPORARY						
STAFF MONTHS		12	12	12	12	12

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Margaret I. Hamlev, Director *M. Hamlev* Phone: 465-2510
 Division: Accounting & Collections Date: 5-4-83
 Approved by Commissioner: Richard A. Lyon *R. Lyon* Date: 5/7/83
 Department: Commerce & Economic Development

Distribution:

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 Copy to Department (for Governor introduced bills)
 Copy to Sponsor
 Copy to Requestor (if different from Sponsor)

3/8/83

As a result of the split of the Division of Loans and Veterans' Affairs into the Division of Investments and the Division of Accounting & Collections, we anticipate being able to increase our operating efficiency sufficiently to be able to correct the present problems that have been noted in recent audits, and to eliminate the need for the excessive overtime presently required. To add 350 loans per year to our current loan servicing volume would presently require additional part-time staffing as described below.

FY '84PERSONAL SERVICES

	<u>Location</u>	<u>Months</u>	<u>Monthly</u>	<u>Annual</u>
1 Accounting Tech. I	AWA	6	1,889	\$11,334
1 Accounting Tech. II	AWA	6	2,145	12,870
				<u>24,204</u>
SBS @ .0613				1,484
Variable benefits @ .1550				3,752
Fixed benefits @ \$240 x 12				2,880
Total Personal Services				<u>\$32,320</u>

CONTRACTUAL

Data processing costs @ \$.60 per month per loan	\$ 2,520
--	----------

COMMODITIES

2 calculators @ \$331	\$ 662
2 chairs @ \$169	338
Setup costs @ \$40/person	80
Supplies @ \$150/person per year	300
	<u>\$ 1,380</u>

EQUIPMENT

1 Technical workstation	<u>\$ 2,178</u>
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FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHR 302 (Fin) (Page 1 of 8)
 Title State Housing Loans
 Requested by House Finance Date 5/17/83

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
 Program Category Affected Development
 BRU, Program, Or Subprogram(s) Affected Housing Assistance
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES		141	193	205	217	230
200 TRAVEL		41	44	46.1	48.9	51.8
300 CONTRACTUAL		12	13	13.5	14.3	15.2
400 COMMODITIES		29	31	32	33	34
500 EQUIPMENT		3	3.1	3.3	3.5	3.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		226	284.1	299.9	316.7	334.7

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source) Program Receipts		226	284.1	299.9	316.7	334.7

POSITIONS

FULL TIME		5	5	5	5	5
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

This appropriation will fund the increased costs of operating the home ownership assistance program created in this bill. It is the only appropriation, in addition to the funding provided in CSHR 315 (Finance), which is necessary to provide these low interest loans. These costs will be funded with program receipts. See the attachment for details on the funding provided through this fiscal note.

IV. DATE 5/17/83

PREPARED BY

Al Adams, Chairman *APH*

AGENCY

House Finance Committee

Original: Legislative Finance

PHONE

465, 1706

Home Ownership Assistance Fund (HOAF) Assumptions for Fiscal Note

Expenditures

OPERATING:

Personal Services

\$141,000

Position

Salary & Benefits

Loan Examiner I	\$ 41,867 (12 months)
Clerk Typist III	20,335 (9 months)
Accountant III	25,883 (6 months)
Accounting Clerk III	22,890 (9 months)
Documents Processing Clerk III	<u>30,519 (12 months)</u>

\$141,000 (rounded down)

All salaries are based on GGU Salary Schedule for A ranges Effective 1/1/83 for number of months requested.

Benefits were calculated at .0613 of gross salaries.

Supplemental benefits were calculated at DCRA FY'84 variable rate of .1537.

Fixed benefits were calculated at gross salary x 240.

FY'84 impacts for new positions varied between 12 and 6 months. FY'85 projections assume all positions at 12 month plus 6% salary inflation costs. Subsequent years assume only annual inflation rate of 6%.

Travel

\$ 41,000

Travel is assumed to reflect both direct and indirect lending services of the division. FY'84 travel reflects the following specific assumptions:

Loan Examiner I to hearings in six field locations	\$ 2,500
Accountant, 6 trips to Juneau	3,600
Central office to bring field staff for training on new program	5,000
6 field offices @ 5,000 each for increased direct services and program outreach	<u>30,000</u>
	\$41,000

HOAF Assumptions for Fiscal Note
(Page 3 of 8)

Contractual \$ 12,000

Contractual assumptions were as follows

- New Regulations	\$ 8,500
- Computer programming	3,500
	<u>\$12,000</u>

Commodities \$ 29,000

Commodities assumptions were based on present cost of equipment for desks, chairs, files, WANG stations and data processing equipment.

Equipment \$ 3,000

Equipment is assumed at \$500 per new position plus \$500 for extra supplies to field.

Annual projections carry a 6% inflation calculation.

Total Fiscal Note Request \$226,000

Additional Personal Services data is provided on the attached FY'84 Budget Forms. Please note the justification section on each form for a needs assessment of each position requested.

1.	POSITION TITLE LOAN EXAMINER I				RANGE/STEP 15-A	BARG. UNIT G	FORM 12- PAGE/LINE	GOV	APPROV.	DISA
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION EBA	ELECTION DISTRICT 7	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
	PERSONAL SERVICES*									
5.	Salary 2398 X 12		28,776							
6.	Benefits		1,763							
7.	Supplemental Benefits		4,422							
8.	Fixed Benefits		6,906							
9.	TOTAL PERSONAL SERVICES		01	41,867						
10.	Travel		02	2,500						
11.	Contractual		03	-0-						
12.	Commodities		04	6,500						
13.	Equipment		05	500						
14.	Other			-0-						
15.	TOTAL COST			52,767						
	RECEIPT CODE				FUNDING SOURCE					
16.					Federal Receipts 1002					
17.					G.F. Match 1003					
18.					General Funds 1004					
19.					I-A Receipts 1005					
20.					Program Receipts 1028					
21.					Other					
FOR B&M USE ONLY										
4A KEY NUMBER _____										

1. This position is calculated for twelve months to absorb extra underwriting duties expected from renewal of rural interest rates reduced from urban ratchet rate. Other duties will include establishment of eligibility criteria forms for HOAF program, drafting of regulations to administer program, development of rural outreach and training projects for the division and underwriting of all HOAF loans. First year estimated activity is 176 HOAF loans averaging \$85,000 each for a total underwriting responsibility of \$15,000,000.
2. Travel includes public hearing schedule for rural HOAF loan program in all regional office locations.
3. Commodities reflect office equipment, word and data processing equipment for this position.

AGENCY DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

PROGRAM _____

BRU HOUSING ASSISTANCE DIVISION

COMPONENT _____

13 REQUEST FOR
NEW POSITION

FY 84

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Revised Date

1.	POSITION TITLE CLERK TYPIST III				RANGE/STEP 08-A	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DIS
2.	TYPE OF POSITION PFT	STAFF MONTHS 9	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION EBA	ELECTION DISTRICT 7	LEG.		

3.	CONTINUATION LEVEL	ADDITION	X	
4.	TYPE OF EXPENDITURE		AMOUNT	
	1	2	3	
	PERSONAL SERVICES*			
5.	Salary	1553 x 9	13,977	
6.	Benefits		856	
7.	Supplemental Benefits		2,148	
8.	Fixed Benefits		3,354	
9.	TOTAL PERSONAL SERVICES	01	20,335	
10.	Travel	02	-0-	
11.	Contractual	03	-0-	
12.	Commodities	04	4,500	
13.	Equipment	05	500	
14.	Other			
15.	TOTAL COST		25,335	

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	25,335
19.		I-A Receipts 1005	
20.		Program Receipts 1028	
21.		Other	

JUSTIFICATION

1. This clerical position will support an FY'84 increase in professional staff and assume all clerical duties for certification and recertification of HOAF clients.
2. Commodities are assumed to cover office and data processing equipment for this position.

FOR B&M USE ONLY
4A KEY NUMBER _____

AGENCY DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

PROGRAM _____

BRU HOUSING ASSISTANCE DIVISION

COMPONENT _____

13 REQUEST FOR
NEW POSITION

FY 84

Page 5 of 8
Revised Date _____

1.	POSITION TITLE ACCOUNTANT III.				RANGE/STEP 18-A	BARG. UNIT G	FORM 12 PAGE/LINE	GOV	APPROV.	DISAP
2.	TYPE OF POSITION PFT	STAFF MONTHS 6	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION EBA	ELECTION DISTRICT 7	LEC.		
3.	CONTINUATION LEVEL				ADDITION		X	JUSTIFICATION		
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
PERSONAL SERVICES										
5.	Salary	2965 x 6	17,790							
6.	Benefits		1,090							
7.	Supplemental Benefits		2,734							
8.	Fixed Benefits		4,269							
9.	TOTAL PERSONAL SERVICES		01	25,883						
10.	Travel		02	3,600						
11.	Contractual		03	2,000						
12.	Commodities		04	4,500						
13.	Equipment		05	500						
14.	Other									
15.	TOTAL COST			36,483						
RECEIPT CODE FUNDING SOURCE										
16.			Federal Receipts 1002							
17.			G.F. Match 1003							
18.			General Funds 1004		36,483					
19.			I-A Receipts 1005							
20.			Program Receipts 1028							
21.			Other							
FOR B&M USE ONLY. 4A KEY NUMBER _____										

1. This position will oversee all accounting staff of the division (3) and will monitor all revolving loan fund accounts, subsidy accounts, operating loss reserve account and title loss reserve account.
2. This position will be responsible for reconciliation with PBA for an estimated \$155 million in loan funds and \$55 million in construction grant funds by the end of FY'84.
3. This position will be the final department authority on low income eligibility for loan or grant programs on direct services.
4. This position will be the final department authority for reconciliation with all seller/servicers on indirect services.
5. This position will maintain an ongoing portfolio analysis of expenditures and advise management on expenditure patterns per statute for each program.
6. This position is based on 6 months only for FY'84 and assumes 6 trips to Juneau @ \$600 each annually.
7. Contractual costs are assumed for special computer programming services.
8. Commodities reflect office equipment and data processing equipment.

13 REQUEST FOR
NEW POSITION

AGENCY DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

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BRU HOUSING ASSISTANCE DIVISION

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FY 84

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Revised Date _____

1.	POSITION TITLE ACCOUNTING CLERK III				RANGE/STEP 10-A	BARG. UNIT G	FORM 12 PAGE/LINE	COV.	APPRDV.	DISA
2.	TYPE OF POSITION PFT	STAFF MONTHS 9	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION EBA	ELECTION DISTRICT 7	LEG.		
3.	CONTINUATION LEVEL				ADDITION	X	JUSTIFICATION			
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2		3						
	PERSONAL SERVICES*									
5.	Salary	1748 X 9	15,732							
6.	Benefits		964							
7.	Supplemental Benefits		2,418							
8.	Fixed Benefits		3,776							
9.	TOTAL PERSONAL SERVICES		01	22,890						
10.	Travel		02	-0-						
11.	Contractual		03	-0-						
12.	Commodities		04	6,500						
13.	Equipment		05	500						
14.	Other									
15.	TOTAL COST			31,890						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		31,890						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER _____										

1. This position is calculated at 9 months only. It will accommodate increased accounting responsibilities as a result of interest rate reductions in rural Alaska.
2. This position will assist accounting technician staff in posting PITI figures for an estimated 1150 loans prior to assumption of new loan program for low income borrowers in rural Alaska.
3. Accounting unit currently has no clerical support. More correspondence with PBA regarding low income and existing program borrowers is anticipated.
4. Weight of data processing conversions and file maintenance for accounting unit will be borne by accounting unit clerical staff person.
5. Commodities include office equipment, word and data processing equipment for this position.

13 REQUEST FOR
NEW POSITION

AGENCY DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
PROGRAM _____
BRU HOUSING ASSISTANCE DIVISION
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Revised Date _____

FY 84

1.	POSITION TITLE DOCUMENTS PROCESSING CLERK III				RANGE/STEP 10-A	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISK
2.	TYPE OF POSITION PPT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION EBA	ELECTION DISTRICT 7	LEG.		
3.	CONTINUATION LEVEL	ADDITION	X		JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT	<p>1. This position will be responsible for all loan file transfers between six field offices and the central office and between the central office and all seller/servicers</p> <p>2. This position receives all files logged in and will enter them into data processing, review them for completeness, distribute to underwriters, accountants or loan closers for action.</p> <p>3. This position receives all completed files from HAD staff and transmits to seller/servicers all executed documents of file.</p> <p>4. This position is responsible for maintaining all logs, tracking and filing systems for the division.</p> <p>5. Contractual services are calculated to assume additional data processing programming for new programs and present programs experiencing interest rate adjustments.</p> <p>6. Commodities are estimated to include office equipment word and data processing equipment for this position.</p>					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	1748 x 12	20,976							
6.	Benefits		1,285							
7.	Supplemental Benefits		3,224							
8.	Fixed Benefits		5,034							
9.	TOTAL PERSONAL SERVICES		01	30,519						
10.	Travel		02	-0-						
11.	Contractual		03	1,500						
12.	Commodities		04	6,500						
13.	Equipment		05	500						
14.	Other			-0-						
15.	TOTAL COST			39,019						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts	1002							
17.		G.F. Match	1003							
18.		General Funds	1004	39,019						
19.		I-A Receipts	1005							
20.		Program Receipts	1028							
21.		Other								

FOR B&M USE ONLY
4A KEY NUMBER

AGENCY DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

PROGRAM _____

BRU HOUSING ASSISTANCE DIVISION

COMPONENT _____

FY 84

Page 8 of 8

Revised Date

13 REQUEST FOR
NEW POSITION

STATE OF ALASKA
FISCAL NOTE

Revision Date 6/15, 1983

I. REQUEST

Bill/Resolution No: SCSCSHB 302 (L&C)
 Title: State housing loans & alternate
 technology loan programs.
 Sponsor: H. Spec. Comm. State Loans
 Requestor: Senate Finance

II. FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: Econ. Dev.
 BRU, Program of Subprogram(s) Affected:
Alaska Housing Finance Corporation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
TOTAL OPERATING	-0-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS:


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

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Michael S. Lynch
 Division: Alaska Housing Finance Corporation

Phone: 276-5599
 Date: 6/15/83

Approved by Commissioner: 
 Department: Revenue

Date: 6/16/83

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Offered: 6/9/83
Referred: Finance

Original sponsor: House Special Committee
on State Loans

1 IN THE HOUSE BY THE LABOR AND COMMERCE COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 302 (L&C)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL
6 For an Act entitled: "An Act relating to state housing loan and state
7 alternative technology loan programs; and providing
8 for an effective date."

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

10 * Section 1. AS 18.55.996(a) is amended by adding a new paragraph to
11 read:

12 (14) Sitka Community Association (Baranof Island)

13 * Sec. 2. AS 18.56 is amended by adding a new section to read:

14 Sec. 18.56.082. ALASKA HOUSING FINANCE REVOLVING FUND. The
15 Alaska housing finance revolving fund is established in the corpora-
16 tion. The revolving fund consists of appropriations made to the
17 revolving fund by the legislature, money or other assets transferred
18 to the revolving fund by the corporation, repayments of principal and
19 interest on loans made or purchased by the corporation, and the earn-
20 ings on all other investments of the corporation that are not pledged
21 to the payment of bonds or required, under agreements with bond-
22 holders, to be otherwise held or disposed of. Amounts deposited in
23 the revolving fund shall be expended for the purposes of the corpora-
24 tion, set out in this chapter.

25 * Sec. 3. AS 18.56.089 is amended to read:

26 Sec. 18.56.089. EXECUTIVE BUDGET ACT. The operating budget of
27 the corporation is subject to the Executive Budget Act (AS 37.07). To
28 further ensure effective budgetary decision making by the legislature,
29 the corporation shall present a complete accounting of the Alaska

1 housing finance revolving fund to the legislature by January 10 of
2 each year. The accounting shall be audited by an independent outside
3 auditor and shall include a full description of all mortgage loan
4 interest and principal repayments and program receipts, including
5 mortgage loan commitment fees, received by or accrued to the
6 corporation during the preceding fiscal year, and all income earned on
7 assets of the corporation during that period, including earnings on
8 assets of the state assisted mortgage fund [FOR FISCAL YEARS BEGINNING
9 AFTER JUNE 30, 1981].

10 * Sec. 4. AS 18.56.096(1) is amended to read:

11 (1) a first mortgage loan under this chapter for a duplex,
12 triplex, or four-plex that exceeds the limitations on first mortgage
13 loans for similar housing purchased by the Federal National Mortgage
14 Association as to principal amount and loan-to-value ratio; [OR]

15 * Sec. 5. AS 18.56.096(2) is amended to read:

16 (2) a second mortgage loan for a duplex, triplex, or four-
17 plex the amount of which, when combined with the principal balance of
18 a first mortgage loan on the property, exceeds the limitation on the
19 amount set out in (1) of this section or that has a loan-to-value
20 ratio, when considered with the principal balance of the first mort-
21 gage loan, that exceeds 90 percent; [.]

22 * Sec. 6. AS 18.56.096 is amended by adding new paragraphs to read:

23 (4) a first mortgage loan for a single-family residence
24 that exceeds the limitations on first mortgage loans for similar
25 housing purchased by the Federal National Mortgage Association as to
26 principal amount by more than 10 percent, or has a loan-to-value ratio
27 that exceeds 95 percent, or a second mortgage loan for a single-family
28 residence, the amount of which, when combined with the principal
29 balance of a first mortgage loan on the property. exceeds the

1 limitations on loans for similar housing purchased by the Federal
2 National Mortgage Association as to principal amount by more than 10
3 percent, or has a loan-to-value ratio, when considered with the prin-
4 cipal balance of the first mortgage loan, that exceeds 90 percent; or

5 (5) a first or second mortgage loan for rental housing
6 unless the borrower agrees not to discriminate against tenants or
7 prospective tenants because of sex, marital status, changes in marital
8 status, pregnancy, parenthood, race, religion, color, national origin,
9 or status as a student.

10 * Sec. 7. AS 18.56.098(g)(1) is amended to read:

11 (1) The interest rate on the first \$90,000 of a mortgage
12 loan purchased with the proceeds of an [THE FIRST] issue of taxable
13 bonds of the corporation is three percent less than [10 PERCENT OR]
14 the cost of funds of that issue, except that

15 (A) if the cost of funds of that issue is less than 10
16 percent, the interest rate is equal to the cost of funds; and

17 (B) if the cost of funds of that issue is more than 10
18 percent, the interest rate may not be less than 10 percent [,
19 WHICHEVER IS LESS].

20 * Sec. 8. AS 18.56.098(g)(5) is amended to read:

21 (5) The interest rate on the first \$90,000 of a mortgage
22 loan purchased with [FROM] money that is not the proceeds of either
23 taxable or tax-exempt bonds [APPROPRIATED TO THE CORPORATION] is the
24 rate the corporation determines is appropriate by application of the
25 provisions of (1) [- (4)] of this subsection. [THE RATE MAY BE BASED
26 ON AN ESTIMATE OF THE COST OF FUNDS OF A PROPOSED ISSUE OR ISSUES OF
27 BONDS.]

28 * Sec. 9. AS 18.56.101 is amended to read:

29 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The

1 following persons are eligible veterans for the purposes of AS 18.56.-
2 098(g) and (h):

3 (1) a person who served in the armed forces of the United
4 States for 90 days or more, or whose service was for less than 90 days
5 because of injury or disability incurred in the line of duty, after
6 April 6, 1917,

7 [(A) WHO AT THE TIME OF INDUCTION INTO THE SERVICE WAS
8 A RESIDENT OF THE TERRITORY OR STATE, WHO HAD BEEN A RESIDENT FOR
9 NOT LESS THAN ONE YEAR IMMEDIATELY BEFORE HIS INDUCTION, AND WHO
10 RETURNED TO THE TERRITORY OR STATE WITHIN ONE YEAR AFTER DIS-
11 CHARGE AS A RESIDENT WITH THE INTENTION OF REMAINING IN THE
12 TERRITORY OR STATE; OR

13 (B) WHO, NOT BEING A BONA FIDE RESIDENT OF THE TERRI-
14 TORY OR STATE AT THE TIME OF ENTRY INTO THE SERVICE, HAS BEEN A
15 RESIDENT OF THE TERRITORY OR STATE FOR AT LEAST ONE YEAR AT THE
16 TIME OF THE LOAN APPLICATION AND HAS BEEN A RESIDENT TO THE
17 TERRITORY OR STATE FOR AT LEAST FIVE YEARS; AND

18 (C)] whose discharge was under honorable conditions;

19 (2) the widow or widower of a member of the armed forces or
20 an eligible veteran if

21 [(A) THE MEMBER OR VETERAN WAS A RESIDENT OF THE TERRI-
22 TORY OR STATE FOR ONE YEAR BEFORE INDUCTION INTO THE SERVICE;

23 (B)] the member or veteran served in the armed forces
24 for at least 90 days after April 6, 1917 [;] and

25 [(C)] the veteran's [HIS] discharge was under honorable
26 conditions;

27 (3) a person who has served for not less than five years in
28 the Alaska Army National Guard, or the Alaska Air National Guard, [OR
29 THE ALASKA NAVAL MILITIA] or [WHO HAS SERVED IN] a reserve unit of the

1 United States armed forces [IN ALASKA] if the reserve unit required,
2 as a minimum, one weekend each month of duty and 15 consecutive days
3 of active duty training each year [FOR NOT LESS THAN FIVE YEARS] and
4 whose discharge was under honorable conditions.

5 * Sec. 10. AS 18.56.115 is amended to read:

6 Sec. 18.56.115. INDEPENDENT FINANCIAL ADVISOR. In negotiating
7 the private sale of bonds or bond anticipation notes to an under-
8 writer, the corporation may [SHALL] retain a financial advisor. A
9 financial advisor retained under this section must be [WHO IS] inde-
10 pendent from the underwriter.

11 * Sec. 11. AS 18.56 is amended by adding a new section to read:

12 Sec. 18.56.205. RESIDENTIAL MORTGAGE ASSISTANCE FOR MEMBERS OF
13 THE ALASKA DELEGATION TO CONGRESS. The corporation may extend the
14 special mortgage loan purchase program (AS 18.56.098) to purchase a
15 mortgage loan made for the purchase or rehabilitation of a residence
16 located in the District of Columbia or within 50 miles of the District
17 of Columbia to a member of the United States Congress from Alaska if
18 the member is otherwise qualified for assistance under the special
19 mortgage loan purchase program.

20 * Sec. 12. AS 44.47.380 is amended to read:

21 Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created
22 in the Department of Community and Regional Affairs, as a revolving
23 loan fund, the housing assistance loan fund consisting of money appro-
24 priated to it by the legislature and repayments of principal and
25 interest on loans made or purchased from the assets of the fund.
26 [INTEREST ON LOANS MADE OR PURCHASED FROM THE ASSETS OF THE FUND MUST
27 BE TRANSFERRED TO THE DEPARTMENT OF REVENUE FOR DEPOSIT IN THE GENERAL
28 FUND.] The director shall administer the housing assistance loan fund
29 in accordance with AS 44.47.360 - 44.47.560 and shall use the money in

1 the housing assistance loan fund to originate, purchase, or partici-
2 pate in the purchase of

3 (1) nonconforming and rural housing mortgage loans;

4 (2) loans made for building materials for nonconforming and
5 rural housing;

6 (3) loans made for renovations or improvements to noncon-
7 forming and rural housing;

8 (4) loans made for the construction of owner-occupied
9 nonconforming and rural housing other than loans to builders or con-
10 tractors or loans that compensate an owner for the owner's labor or
11 services in constructing the owner's own housing.

12 * Sec. 13. AS 44.47 is amended by adding a new section to read:

13 Sec. 44.47.382. HOME OWNERSHIP ASSISTANCE FUND. (a) There is
14 created in the Department of Community and Regional Affairs, the home
15 ownership assistance fund consisting of money appropriated to it by
16 the legislature. Money in the fund shall be used solely to assist
17 persons of lower and moderate income to purchase or construct single-
18 family homes financed under AS 44.47.360 - 44.47.560 by providing a
19 subsidy to those persons.

20 (b) The subsidy provided by this section may not exceed the
21 amount that is necessary to reduce the annual interest rate paid on
22 the mortgage loan to six percent.

23 (c) A mortgage loan that is subsidized from the home ownership
24 assistance fund may not exceed \$120,000.

25 (d) The division shall adopt regulations that establish maximum
26 income-to-loan payment ratios for persons who apply for a subsidy
27 under this section.

28 (e) In this section, "persons of lower and moderate income"
29 means individuals considered by the division to require assistance

1 under this section because of inadequate income or other limited
2 personal financial resources, taking into consideration

3 (1) the amount of total income available for housing needs;

4 (2) the size of the family;

5 (3) the cost and condition of available housing;

6 (4) standards established in various federal programs for
7 determining eligibility based on income;

8 (5) the ability to enter the private housing market and to
9 pay market amounts for decent, safe, and sanitary housing; and

10 (6) other factors considered relevant by the division.

11 * Sec. 14. AS 44.47.390(4) is amended to read:

12 (4) originate a direct loan for nonconforming or rural
13 housing or purchase or participate in the purchase of a nonconforming
14 or rural housing mortgage loan, other than a loan for the repair,
15 remodeling, rehabilitation, or expansion of an existing owner-occupied
16 residence, if the borrower has an outstanding housing loan made under
17 a state loan program, other than a loan for nonowner-occupied housing
18 under AS 44.47.520, that bears interest at a rate that was less than
19 the prevailing market interest rate for similar housing loans at the
20 time the loan was made.

21 * Sec. 15. AS 44.47.390 is amended by adding a new paragraph to read:

22 (5) originate a direct mortgage loan or purchase or partic-
23 ipate in the purchase of a mortgage loan for rental housing unless the
24 borrower agrees not to discriminate against tenants or prospective
25 tenants because of sex, marital status, changes in marital status,
26 pregnancy, parenthood, race, religion, color, national origin, or
27 status as a student.

28 * Sec. 16. AS 44.47.410 is amended to read:

29 Sec. 44.47.410. INTEREST ON LOANS. (a) The interest rate on a

1 mortgage loan originated or purchased in whole or in part under
2 AS 44.47.380 for nonconforming housing that is not rural housing is
3 one-quarter percent more than [EQUAL TO] the interest rate, as deter-
4 mined under AS 18.56.098(g)(1) - (4), on a mortgage loan purchased
5 under AS 18.56.098(a) from the proceeds of the most recent applicable
6 issue of taxable bonds before the origination or purchase of the
7 mortgage loan originated or purchased under AS 44.47.380.

8 (b) The interest rate on a mortgage loan originated or purchased
9 in whole or in part under AS 44.47.380 for rural housing is one per-
10 cent less than the interest rate, as determined under AS 18.56.098-
11 (g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from
12 the proceeds of the most recent applicable issue of taxable bonds
13 before the origination or purchase of the mortgage loan originated or
14 purchased under AS 44.47.380 [10-1/2 PERCENT].

15 * Sec. 17. AS 44.47 is amended by adding a new section to read:

16 Sec. 44.47.530. ANNUAL REPORT. The division shall prepare and
17 transmit an annual report that accounts to the governor and the legis-
18 lature for the discharge of all responsibility assigned by law or
19 directive to the division. The report shall be published by
20 January 10 of each year for distribution to the governor, the
21 legislature, and the public. The report shall be written in easily
22 understandable language, shall consider the assigned duties of the
23 division, and shall include

24 (1) a financial statement audited by an independent outside
25 auditor;

26 (2) a statement of the division's loans under this chapter
27 including an appraisal of the loans at market value;

28 (3) a description of the division's loan activities during
29 the period covered by the report;

1 (4) a comparison of the division's goals with its actual
2 performance during the period covered by the report;

3 (5) a description of the division's loan portfolio by
4 region within the four judicial districts of the state; and

5 (6) other information the director believes would be of
6 interest to the governor, the legislature, and the public.

7 * Sec. 18. AS 44.47.560(5) is repealed and reenacted to read:

8 (5) "rural" means of or relating to a community in the
9 state with a population of 4,500 or less, as determined by the depart-
10 ment under AS 29.88.015, that

11 (A) is not connected by road or rail to Anchorage; or

12 (B) is connected by road or rail to Anchorage, but is
13 more than 50 air miles from Anchorage;

14 * Sec. 19. AS 45.88.500(2) is amended by adding a new subparagraph to
15 read:

16 (E) a steam, hot water, or ducted hot air central
17 heating system that uses wood or coal for fuel;

18 * Sec. 20. AS 18.56.098(g)(2) and AS 44.47.385 are repealed.

19 * Sec. 21. Section 13 of this Act takes effect January 1, 1984.

20 * Sec. 22. Sections 1 - 12, and 14 - 20 of this Act take effect immedi-
21 ately in accordance with AS 01.10.070(c).

STATE OF ALASKA
FISCAL NOTE

Revision Date 6/15, 1983

I. REQUEST

Bill/Resolution No: SCSCSHB 302 (L&C)
Title: State housing loans & alternate technology loan programs.
Sponsor: H. Spec. Comm. State Loans
Requestor: Senate Finance

II. FISCAL DETAIL

Agency Affected: Revenue
Program Category Affected: Econ. Dev.
BRU, Program of Subprogram(s) Affected: Alaska Housing Finance Corporation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	<u>-0-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>CAPITAL</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUE</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS:


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

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Michael S. Lynch
Division: Alaska Housing Finance Corporation

Phone: 276-5599
Date: 6/15/83

Approved by Commissioner: 
Department: Revenue

Date: 6/18/83

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STATE OF ALASKA
FISCAL NOTE

Revision Date 6/15, 1983

I. REQUEST

Bill/Resolution No: SCSCSHB 302 (L&C)
 Title: State housing loans & alternate
 technology loan programs.
 Sponsor: H. Spec. Comm. State Loans
 Requestor: Senate Finance

II. FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: Econ. Dev.
 BRU, Program of Subprogram(s) Affected:
Alaska Housing Finance Corporation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
TOTAL OPERATING	-0-	-	-	-	-	-

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


GENERAL FUND	-0-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS:

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

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Michael S. Lynch
 Division: Alaska Housing Finance Corporation
 Approved by Commissioner: 
 Department: Revenue

Phone: 276-5599
 Date: 6/15/83
 Date: 6/14/83

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STATE OF ALASKA
FISCAL NOTE

Revision Date 4/29, 1983

I. REQUEST No. 1 Page 1 of 31. FISCAL DETAIL
 Bill/Resolution No.: CS for HB 302 (Loans) Agency Affected: Comm. & Reg. Affairs
 Title: State Housing Loans Program Category Affected: Development
 Sponsor: House Special Commte./Loans BRU, Program of Subprogram(s) Affected:
 Requestor: Hse. Spec. Cmte./Loans Housing Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		141	193	205	217	230
200 TRAVEL		41	44	46.1	48.9	51.8
300 CONTRACTUAL		12	13	13.5	14.3	15.2
400 COMMODITIES		29	31	32	33	34
500 EQUIPMENT		3	3.1	3.3	3.5	3.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		226	284.1	299.9	316.7	334.7
ANNUAL SUBSIDY		650	1,000	1,200	1,350	1,700
CAPITAL		15,650	31,650	37,850	44,200	50,700
SUBSIDE (Cumulative)		650	1,650	2,850	4,200	5,700
REVENUE		350	2,150	4,250	6,650	9,350
REVENUE (Annual)		350	1,800	2,100	2,400	2,700

FUNDING: (Thousands of Dollars)

GENERAL FUND		15,650	31,650	37,850	44,200	50,700
FEDERAL FUNDS						
OTHER (Specify Source)						
Program Receipts		226	284.1	299.9	316.7	334.7

POSITIONS:

FULL-TIME		5	5	5	5	5
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Unused AIDA Certificates of Deposit. SLA 1982, CH 114 CCSSB 322
 (See 9. Assumptions for Fiscal Note)

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: B. Morese-Quinn/R. Price Phone: 272-4585
 Division: Housing Assistance Division Date: 4/15/83
 Approved by Commissioner: Robert H. Kelleher Date: 4/15/83
 Department: Community & Regional Affairs

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3/8/83

Home Ownership Assistance Fund (HOAF) Assumptions for Fiscal Note

1. AHFC made 381 HOF loans in FY'81 for \$24.7 million with an average loan amount of \$64,829.00. AHFC made 903 HOF loans in FY'82 for \$58.1 million with an average loan amount of \$64,341.00. HAD's average loan amount is \$87,500.00 HAD projects a FY'84 HOAF program of 176 loans at \$85,000.00 each for a total of \$15 million in loans made.

2. HAD projects a HOAF Program based on rural Alaskan needs as follows:

a. Dwelling Price Maximums

1 or 2 member family	\$100,000
3 member family	105,000
4 member family	110,000
5 or more member family	120,000

b. Income Maximums

Adult family members	30,000
1st child	5,000
Each additional child	1,500
to program maximum of	39,000

c. Asset Maximums

3 times income for all borrowers

3. Subsidies are calculated for payments of 1 adult and 2 children in rural Alaska to be subsidized from ratchet rate of 10% to HOAF rate of 6%. Average salary is computed at \$2,835 per month with subsidy of \$236.30 per month.

4. Capital projections assume accumulated subsidy projections. Annual subsidy rates are noted.

5. Revenue projections assume accumulated interest of 6% returning to the General Fund. Annual interest earnings are noted. Principal repayment is assumed to revolve back to the fund and is not calculated as revenue.

6. Position requests assume a specialization of duties and can absorb the year round program levels projected with no increased staff.

7. Travel is assumed to reflect both direct and indirect lending services of the division. FY'84 travel reflects the following specific assumptions:

2,500	Loan Examiner I to hearings in six field locations
3,600	Accountant, 6 trips to Juneau
5,000	Central office to bring field staff for training on new program
30,000	6 field offices @ 5,000 each for increased direct services and program outreach

8. Contractual assumptions were as follows:
8,500 New regulations - HOAF
3,500 Computer programming
9. Commodities assumptions were based on present cost of equipment for desks, chairs, files, WANG stations and data processing equipment.
10. Equipment is assumed at \$500 per new position plus \$500 for extra supplies to field.
11. Annual projections carry a 6% inflation calculation.

Notes for Form 13 Calculations

1. All salaries are based on GGU Salary Schedule for A ranges effective 1/1/83 for number of months requested.
2. Benefits were calculated at .0613 of gross salaries.
3. Supplemental benefits were calculated at DCRA FY'84 variable rate of .1537.
4. Fixed benefits were calculated at gross salary x 240.

Notes for Personal Services Category Projections

1. FY'84 impacts for new positions varied between 12 and 6 months. FY'85 projections assume all positions at 12 month plus 6% salary inflation costs. Subsequent years assume only annual inflation rate of 6%.

Notes for Revenue Projections

1. Monthly distribution of capital funds and, therefore, monthly interest calculations due on payments of first year operations cannot be accurately projected until program becomes operational. These figures are division's best estimates.

STATE OF ALASKA
FISCAL NOTE

Revision Date 5/4, 1983

I. REQUEST No. 2
Bill/Resolution No: 85 HB 302 (Loans)
Title: AHFC--semi rural loans
Sponsor: Special Committee on Loans
Requestor: Special Committee on Loans

II. FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected: Econ. Develop.
BRU, Program of Subprogram(s) Affected:
Alaska Housing Finance Corporation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	12.5 M	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	12.5 M	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS:

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

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

The change to a maximum subsidized loan from \$90,000 to \$100,000 will require \$12.5M more in subsidy funds.

IV. ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Michael S. Lynch
 Division: Alaska Housing Finance Corporation
 Approved by Commissioner: [Signature]
 Department: Revenue

Phone: 276-5599
 Date: 05/04/83
 Date: 5/4/83

Distribution:

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COMMITTEE REPORT

SENATE

FURTHER:

FINANCE

5/23/83

Date: 6-7-83

Mr. President:

The Committee on LABOR & COMMERCE has had CSHB 302(Fin) am

State housing loan and state alternative technology loan program; eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass [] do not pass
- [] do pass with attached amendments(s)
- replace with SCS for CSHB 302(Fin) am [X] same title [] new title
- and recommends .
- [] AND attaches a "Letter of Intent" [] New Fiscal Note
- [] reports it back without recommendation
- [] referred to the _____ Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

[Handwritten signatures]

[Handwritten signatures]

[Handwritten signature]
CHAIRMAN