

LEG. FINANCE - BILLS 1985 - 1986 2224

CSSB 280 2224



Offered: 5/1/85  
Referred: Rules

Original sponsor: Resources Committee

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 280 (Finance) am  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the authorization of bonds or notes for the DeLong Mountain transportation project, establishing conditions under which the bonds or notes may be issued; and providing for an effective date."

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

\* Section 1. The Alaska Industrial Development Authority is authorized to issue bonds or notes in a principal amount not to exceed \$175,000,000 to provide financing for the DeLong Mountain transportation project.

\* Sec. 2. Before bonds or notes authorized under sec. 1 of this Act may be issued, the Alaska Industrial Development Authority shall comply with AS 44.88.173 and shall incorporate into the final finance plan and agreement for the DeLong Mountain transportation project the following terms and conditions:

(1) Cominco, Ltd. is required to agree in writing that

(A) Cominco, Ltd. will pay for all or a portion of the operation and maintenance of facilities constructed as part of the project based on the use Cominco Alaska makes of the facilities compared to the use made by others;

(B) if Cominco Alaska ceases to develop the Red Dog Mine after costs have been incurred by the Alaska Industrial Development Authority for the project, Cominco, Ltd. will pay the authority for those costs together with interest from the date the costs were incurred;

(C) toll fees paid by Cominco Alaska for the use of facilities constructed as part of the project to the Alaska Industrial Development Authority may be periodically adjusted if the price of zinc rises above a level that yields a return on investment commensurate with risk;

(2) the United States government makes available land in the Cape Krusenstern National Monument that is included in the proposed land exchange with NANA Regional Corporation to the corporation for construction of a transportation system;

(3) NANA Regional Corporation is required to agree in writing to sell, lease for a prepaid term of at least 99 years or grant a perpetual easement to the Alaska Industrial Development Authority, at no more than fair market value, land needed for the port and road constructed as part of the project and land needed for future expansion of the road and port, subject to no terms or conditions inconsistent with use as a public road and port;

(4) tax exempt financing for the project is used to the maximum extent possible;

(5) a toll schedule, that may be periodically adjusted, is established for use of facilities constructed as part of the project that

(A) ensures full repayment of and a reasonable return on the state's investment in the project; and

(B) guarantees equitable access to the facilities by all users and potential users, including access to private property and ~~access for travel necessary and related to resource exploration and~~ development for which valid permits have been obtained and travel in support of resource exploration and development;

(6) contracts for the construction of the port and road are subject to AS 36;

(7) reasonable access to the port and road is guaranteed to all users and potential users;

(8) the Alaska Industrial Development Authority will own and operate the facilities collectively referred to as the DeLong Mountain transportation project.

\* Sec. 3. Before bonds or notes authorized under sec. 1 of this Act may be issued, the Alaska Industrial Development Authority shall

(1) report in writing to the legislative budget and audit committee that the conditions under sec. 2 of this Act have been met; and

(2) agree with the Department of Revenue in writing to deliver all money generated by the DeLong Mountain transportation project to the Department of Revenue for deposit in the general fund, other than money necessary for payment of the principal and interest on bonds or notes issued under sec. 1 of this Act and except as may otherwise be provided in the bond or note covenants.

\* Sec. 4. As used in this Act, "reasonable return" means a rate of return on the total investment of the state of at least five percent.

\* Sec. 5. This Act takes effect July 1, 1985.

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: CSSB 280 (Fin)  
 Title: Delong Mountain transportation project  
 Sponsor: Senate Resources Committee  
 Requestor: House Finance Committee  
 Date of Request: 5/6/85

FISCAL DETAIL

Agency Affected: Department of Commerce  
 Program Category Affected: ATDA  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

|                        | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|------------------------|-------|-------|-------|-------|-------|-------|
| <b>OPERATING</b>       |       |       |       |       |       |       |
| 100 PERSONAL SERVICES  |       |       |       |       |       |       |
| 200 TRAVEL             |       |       |       |       |       |       |
| 300 CONTRACTUAL        |       |       |       |       |       |       |
| 400 SUPPLIES           |       |       |       |       |       |       |
| 500 EQUIPMENT          |       |       |       |       |       |       |
| 600 LAND & STRUCTURES  |       |       |       |       |       |       |
| 700 GRANTS, CLAIMS     |       |       |       |       |       |       |
| 800 MISCELLANEOUS      |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> |       | -0-   |       |       |       |       |
| <b>CAPITAL</b>         |       |       |       |       |       |       |
| <b>REVENUE</b>         |       |       |       |       |       |       |

**FUNDING: (Thousands of Dollars)**

|               |  |     |  |  |  |  |
|---------------|--|-----|--|--|--|--|
| GENERAL FUND  |  | -0- |  |  |  |  |
| FEDERAL FUNDS |  | -0- |  |  |  |  |
| OTHER         |  | -0- |  |  |  |  |
| <b>TOTAL</b>  |  | -0- |  |  |  |  |

**POSITIONS:**

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

**ANALYSIS:** Attach a separate page if necessary

Loan appropriations are provided in SB 279.

Prepared By: Representative Adams - Chairman Phone: 465-3706  
 Division: House Finance Committee Date: 5/6/85

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

SECTIONAL ANALYSIS OF CS SB 280 (FIN) am

Section 1

Authorizes the Alaska Industrial Development Authority (AIDA) to issue \$175 million in bonds to finance the Red Dog transportation project.

Section 2

The following terms and conditions must be incorporated into the final finance plan and agreement for the project before AIDA can sell bonds:

1. Cominco must agree in writing to pay operation and maintenance costs, to pay back AIDA any costs incurred plus interest if it ever ceases to develop Red Dog, and to adjust tolls if the price of zinc rises.
2. The Cape Krusenstern National Monument land exchange is consummated between NANA and the US Park Service. (The land the Park Service is granting to NANA under the exchange will be used for construction of a portion of the Red Dog road.)
3. NANA agrees in writing to sell, lease or grant land to AIDA for the port, the road, and any future expansion.
4. Tax exempt financing is maximized.
5. Toll fees are established that assure full repayment and a reasonable return on the state's investment and equitable access to other users.
6. Contracts for the port and road are subject to AS 36, the little Davis Bacon Act.
7. Reasonable access is guaranteed to all users and potential users.
8. AIDA owns and operates the facilities.

Section 3

Before issuing bonds, AIDA must:

1. Report to LB&A in writing that the conditions listed in section 2 have been met.
2. Agree with Revenue in writing that any funds generated by the project in excess of amounts needed to retire debt will be returned to the general fund.

Section 4

Defines "reasonable return" as 5%.

Section 5

The Act takes effect on July 1, 1985.

Offered: 5/1/85  
Referred: Rules

Original sponsor: Resources Committee

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SENATE BILL NO. 280 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL  
6 For an Act entitled: "An Act relating to the authorization of bonds or  
7 notes for the DeLong Mountain transportation project,  
8 establishing conditions under which the bonds or  
9 notes may be issued; and providing for an effective  
10 date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
12 \* Section 1. The Alaska Industrial Development Authority is authorized  
13 to issue bonds or notes in a principal amount not to exceed \$175,000,000 to  
14 provide financing for the DeLong Mountain transportation project.

15 \* Sec. 2. Before bonds or notes authorized under sec. 1 of this Act may  
16 be issued, the Alaska Industrial Development Authority shall comply with  
17 AS 44.88.173 and shall incorporate into the final finance plan for the  
18 DeLong Mountain transportation project the following terms and conditions:

19 (1) Cominco, Ltd. is required to agree in writing that  
20 (A) Cominco, Ltd. will pay for all or a portion of the  
21 operation and maintenance of facilities constructed as part of the  
22 project based on the use Cominco Alaska makes of the facilities com-  
23 pared to the use made by others;

24 (B) if Cominco Alaska ceases to develop the Red Dog Mine  
25 after costs have been incurred by the Alaska Industrial Development  
26 Authority for the project, Cominco, Ltd. will pay the authority for  
27 those costs together with interest from the date the costs were in-  
28 curred;

29 (C) toll fees paid by Cominco Alaska for the use of

1 facilities constructed as part of the project to the Alaska Industrial  
2 Development Authority may be periodically adjusted if the price of  
3 zinc rises above a level that yields a return on investment commen-  
4 surate with risk;

5 (2) the United States government makes available land in the  
6 Cape Krusenstern National Monument that is included in the proposed land  
7 exchange with NANA Regional Corporation to the corporation for construction  
8 of a transportation system;

9 (3) NANA Regional Corporation is required to agree in writing to  
10 make available to the Alaska Industrial Development Authority, at no more  
11 than fair market value, land needed for the port and road constructed as  
12 part of the project and land needed for future expansion of the road and  
13 port;

14 (4) tax exempt financing for the project is used to the maximum  
15 extent possible;

16 (5) a toll schedule, that may be periodically adjusted, is  
17 established for use of facilities constructed as part of the project that

18 (A) ensures a reasonable return on the state's investment  
19 in the project; and

20 (B) guarantees equitable access to the facilities by all  
21 users and potential users, including access to private property and  
22 access for travel necessary and related to resource exploration and  
23 development for which valid permits have been obtained and travel in  
24 support of resource exploration and development;

25 (6) contracts for the construction of the port and road are  
26 subject to AS 16;

27 (7) reasonable access to the port and road is guaranteed to all  
28 users;

29 (8) the Alaska Industrial Development Authority will own and

1 operate the facilities collectively referred to as the DeLong Mountain  
2 transportation project.

3 \* Sec. 3. Before bonds or notes authorized under sec. 1 of this Act may  
4 be issued, the Alaska Industrial Development Authority shall

5 (1) report in writing to the legislative budget and audit com-  
6 mittee that the conditions under sec. 2 of this Act have been met; and

7 (2) agree with the Department of Revenue in writing to deliver  
8 all money generated by the DeLong Mountain transportation project to the  
9 Department of Revenue for deposit in the general fund, other than money  
10 necessary for payment of the principal and interest on bonds or notes  
11 issued under sec. 1 of this Act and except as may otherwise be provided in  
12 the bond or note covenants.

13 \* Sec. 4. As used in this Act, "reasonable return" means a rate of  
14 return on the total investment of the state of at least five percent.

15 \* Sec. 5. This Act takes effect July 1, 1985.

Offered: 4/29/85  
Referred: Finance

Original sponsor: Resources Committee

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

CS FOR SENATE BILL NO. 280 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the authorization of bonds or  
7 notes for the DeLong Mountain transportation project,  
8 establishing conditions under which the bonds or  
9 notes may be issued; and providing for an effective  
10 date."

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14 provide financing for the DeLong Mountain transportation project.

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16 be issued, the Alaska Industrial Development Authority shall comply with  
17 AS 44.88.173 and shall incorporate into the final finance plan for the  
18 DeLong Mountain transportation project the following terms and conditions:

19 (1) Cominco, Ltd. is required to agree in writing that

20 (A) Cominco, Ltd. will pay for all or a portion of the  
21 operation and maintenance of facilities constructed as part of the  
22 project based on the use Cominco Alaska makes of the facilities com-  
23 pared to the use made by others;

24 (B) if Cominco Alaska ceases to develop the Red Dog Mine  
25 after costs or debts have been incurred by the Alaska Industrial  
26 Development Authority for the project, Cominco, Ltd. will pay the  
27 authority for those costs and debts together with interest from the  
28 date the costs or debts were incurred;

29 (C) toll fees paid by Cominco Alaska for the use of

1 facilities constructed as part of the project to the Alaska Industrial  
2 Development Authority may be periodically adjusted if the price of  
3 zinc rises above a level that yields a return on investment commen-  
4 surate with risk;

5 (2) the United States government makes available land in the  
6 Cape Krusenstern National Monument that is included in the proposed land  
7 exchange with NANA Regional Corporation to the corporation for construction  
8 of a transportation system;

9 (3) NANA Regional Corporation is required to agree in writing to  
10 make available to the Alaska Industrial Development Authority, at no more  
11 than fair market value, land needed for the port and road constructed as  
12 part of the project and land needed for future expansion of the road and  
13 port;

14 (4) tax exempt financing for the project is used to the maximum  
15 extent possible;

16 (5) a toll schedule, that may be periodically adjusted, is  
17 established for use of facilities constructed as part of the project that

18 (A) ensures a reasonable return on the state's investment  
19 in the project; and

20 (B) guarantees equitable access to the facilities by all  
21 users and potential users, including access to private property and  
22 access for travel necessary and related to resource exploration and  
23 development for which valid permits have been obtained and travel in  
24 support of resource exploration and development;

25 (6) contracts for the construction, operation, and maintenance  
26 of the port and road are subject to AS 36;

27 (7) adequate access to the port and road is guaranteed to all  
28 users.

29 \* Sec. 3. Before bonds or notes authorized under sec. 1 of this Act may

1 be issued, the Alaska Industrial Development Authority shall

2           (1) report in writing to the legislative budget and audit com-  
3 mittee that the conditions under sec. 2 of this Act have been met; and

4           (2) agree with the Department of Revenue in writing to deliver  
5 all money generated by the DeLong Mountain transportation project to the  
6 Department of Revenue for deposit in the general fund, other than money  
7 necessary for payment of the principal and interest on bonds or notes  
8 issued under sec. 1 of this Act and except as may otherwise be provided in  
9 the bond or note covenants.

10 \* Sec. 4. This Act takes effect July 1, 1985.

Offered: 4/29/85  
Referred: Finance

Original sponsor: Resources Committee

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

CS FOR SENATE BILL NO. 280 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the authorization of bonds or  
7 notes for the DeLong Mountain transportation project,  
8 establishing conditions under which the bonds or  
9 notes may be issued; and providing for an effective  
10 date."

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14 provide financing for the DeLong Mountain transportation project.

15 \* Sec. 2. Before bonds or notes authorized under sec. 1 of this Act may  
16 be issued, the Alaska Industrial Development Authority shall comply with  
17 AS 44.88.173 and shall incorporate into the final finance plan for the  
18 DeLong Mountain transportation project the following terms and conditions:

19 (1) Cominco, Ltd. is required to agree in writing that

20 (A) Cominco, Ltd. will pay for all or a portion of the  
21 operation and maintenance of facilities constructed as part of the  
22 project based on the use Cominco Alaska makes of the facilities com-  
23 pared to the use made by others;

24 (B) if Cominco Alaska ceases to develop the Red Dog Mine  
25 after costs or debts have been incurred by the Alaska Industrial  
26 Development Authority for the project, Cominco, Ltd. will pay the  
27 authority for those costs and debts together with interest from the  
28 date the costs or debts were incurred;

29 (C) toll fees paid by Cominco Alaska for the use of

1 facilities constructed as part of the project to the Alaska Industrial  
2 Development Authority may be periodically adjusted if the price of  
3 zinc rises above a level that yields a return on investment commen-  
4 surate with risk;

5 (2) the United States government makes available land in the  
6 Cape Krusenstern National Monument that is included in the proposed land  
7 exchange with NANA Regional Corporation to the corporation for construction  
8 of a transportation system;

9 (3) NANA Regional Corporation is required to agree in writing to  
10 make available to the Alaska Industrial Development Authority, at no more  
11 than fair market value, land needed for the port and road constructed as  
12 part of the project and land needed for future expansion of the road and  
13 port;

14 (4) tax exempt financing for the project is used to the maximum  
15 extent possible;

16 (5) a toll schedule, that may be periodically adjusted, is  
17 established for use of facilities constructed as part of the project that

18 (A) ensures a reasonable return on the state's investment  
19 in the project; and

20 (B) guarantees equitable access to the facilities by all  
21 users and potential users, including access to private property and  
22 access for travel necessary and related to resource exploration and  
23 development for which valid permits have been obtained and travel in  
24 support of resource exploration and development;

25 (6) contracts for the construction, operation, and maintenance  
26 of the port and road are subject to AS 36;

27 (7) adequate access to the port and road is guaranteed to all  
28 users.

29 \* Sec. 3. Before bonds or notes authorized under sec. 1 of this Act may

1 be issued, the Alaska Industrial Development Authority shall  
2 (1) report in writing to the legislative budget and audit com-  
3 mittee that the conditions under sec. 2 of this Act have been met; and  
4 (2) agree with the Department of Revenue in writing to deliver  
5 all money generated by the DeLong Mountain transportation project to the  
6 Department of Revenue for deposit in the general fund, other than money  
7 necessary for payment of the principal and interest on bonds or notes  
8 issued under sec. 1 of this Act and except as may otherwise be provided in  
9 the bond or note covenants.  
10 \* Sec. 4. This Act takes effect July 1, 1985.

Introduced: 4/11/85  
Referred: Resources  
and Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

SENATE BILL NO. 280

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the authorization of bonds or  
7 notes for the DeLong Mountain transportation project,  
8 establishing conditions under which the bonds or  
9 notes may be issued; and providing for an effective  
10 date."

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

12 \* Section 1. The Alaska Industrial Development Authority is authorized  
13 to issue bonds or notes in a principal amount not to exceed \$175,000,000 to  
14 provide financing for the DeLong Mountain transportation project. Bonds or  
15 notes may not be issued under this section until

16 (1) Cominco, Ltd. agrees in writing to terms and conditions  
17 under which

18 (A) adequate access to the road and port constructed as  
19 part of the DeLong Mountain project is guaranteed to other users;

20 (B) Cominco, Ltd. will pay for all or a portion of the  
21 operation and maintenance of facilities constructed as part of the  
22 project based on the use Cominco, Ltd. makes of the facilities com-  
23 pared to the use made by others;

24 (C) Cominco, Ltd. will repay all expenditures by the state  
25 for the project through toll fees for the use of facilities construct-  
26 ed as part of the project and other payments;

27 (D) payments by Cominco, Ltd. to the state will be accel-  
28 erated if the price of zinc rises above a level determined by the  
29 Alaska Industrial Development Authority to yield a reasonable profit;

1           (2) the United States Congress approves the Cape Krusenstern  
2 National Monument land exchange between NANA Regional Corporation and the  
3 United States Department of the Interior;

4           (3) NANA Regional Corporation agrees in writing to convey to the  
5 Alaska Industrial Development Authority, at no more than fair market value,  
6 land needed for the port and road constructed as part of the DeLong Moun-  
7 tain transportation project and land needed for future expansion of the  
8 road and port;

9           (4) NANA Regional Corporation agrees in writing to lease land  
10 for the Red Dog Mine to Cominco, Ltd. and to provide easements and right-  
11 of-ways needed to operate the mine to Cominco, Ltd.;

12           (5) the Alaska Industrial Development Authority obtains a ruling  
13 from the Internal Revenue Service that bonds or notes issued under this  
14 section will qualify for tax exempt status; and

15           (6) the Alaska Industrial Development Authority establishes a  
16 toll schedule for use of facilities constructed as part of the DeLong  
17 Mountain transportation project that ensures the greatest return on the  
18 state's investment in the project and guarantees equitable access to the  
19 facilities by all users; the toll schedule may be periodically adjusted.

20       \* Sec. 2. Notwithstanding limitations on the establishment of a capital  
21 reserve fund under AS 44.88.105, the authority may covenant and agree with  
22 the trustee or holders of the bonds or notes authorized under sec. 1 of  
23 this Act that the authority will establish a capital reserve fund for the  
24 purpose of securing the bonds or notes, that the chairman of the authority  
25 will, by January 2 of each year, certify in writing to the governor and the  
26 legislature the amount required to restore the capital reserve fund to the  
27 capital reserve fund requirement, and that the legislature may appropriate  
28 to the authority the amount certified by the chairman. Nothing in this  
29 section creates a debt or liability of the state.

1 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
2 10.070(c).

**COMMITTEE REPORT  
SENATE**

FURTHER:

4/11/85

Date 4/8/86

Mr. President

The Committee on FINANCE considered SB 281  
interest rate on the state loan programs; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 281 (File)
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation OSFC 4/8/86
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Rick Halford  
J. Ferguson  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS

J. Halford  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Co-Chairman John Fuchs  
Chairman recommendation do pass.

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : CSSB 281 (Finance)  
 Title : Act relating to the interest rate on state loan programs

Sponsor : \_\_\_\_\_  
 Requestor : \_\_\_\_\_  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : All  
 BRU : \_\_\_\_\_

Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

| OPERATING              | FY 86    | FY 87    | FY 88    | FY 89    | FY 90    | FY 91    |
|------------------------|----------|----------|----------|----------|----------|----------|
| PERSONAL SERVICES      |          |          |          |          |          |          |
| TRAVEL                 |          |          |          |          |          |          |
| CONTRACTUAL            |          |          |          |          |          |          |
| SUPPLIES               |          |          |          |          |          |          |
| EQUIPMENT              |          |          |          |          |          |          |
| LAND & STRUCTURES      |          |          |          |          |          |          |
| GRANTS, CLAIMS         |          |          |          |          |          |          |
| MISCELLANEOUS          |          |          |          |          |          |          |
| <b>TOTAL OPERATING</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>CAPITAL</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
|----------------|----------|----------|----------|----------|----------|----------|

|                |          |          |          |          |          |          |
|----------------|----------|----------|----------|----------|----------|----------|
| <b>REVENUE</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
|----------------|----------|----------|----------|----------|----------|----------|

**FUNDING : (Thousands of Dollars)**

|               |          |          |          |          |          |          |
|---------------|----------|----------|----------|----------|----------|----------|
| GENERAL FUND  |          |          |          |          |          |          |
| FEDERAL FUNDS |          |          |          |          |          |          |
| OTHER         |          |          |          |          |          |          |
| <b>TOTAL</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

**POSITIONS :**

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

**ANALYSIS :** Attach a separate page if necessary

Prepared by : \_\_\_\_\_ Phone : 465-4523  
 Division : Senator Jan Faiks, Co-chairman Date : 4/8/86  
Senate Finance Committee

Approved by Commissioner : \_\_\_\_\_ Date : \_\_\_\_\_  
 Agency : \_\_\_\_\_

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Bradley  
4/8/86

Original sponsors: Halford, Faiks,  
Sackett, et al

1 IN THE SENATE BY THE FINANCE COMMITTEE  
 2 CS FOR SENATE BILL NO. 281 (Finance)  
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 4 FOURTEENTH LEGISLATURE - SECOND SESSION  
 5 A BILL

6 For an Act entitled: "An Act relating to the interest rate on state loan  
7 programs; and providing for an effective date."

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

9 \* Section 1. AS 37.05.035 is amended by adding new subsections to read:

10 (b) Notwithstanding any other provision of law, the interest  
11 rate for loan programs administered by the state or an instrumentality  
12 of the state shall increase by one-half percent October 1 of each year  
13 until the interest rate is equal to:

- 14 (1) the prevailing market rate for each type of loan; or
- 15 (2) the cost of funds, if the loan program is financed by
- 16 the sale of bonds or other indebtedness.

17 (c) The provisions of (b) of this section do not apply to the  
18 interest rate for loans made under AS 14.43.120.

19 \* Sec. 2. This Act takes effect October 1, 1986.

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4/8/84

*Copy of this fiscal note for SB 281 provided to Legis. Fin. for informational purposes this date*  
*JK*

**REQUEST**

Bill/Resolution No.:  
 Title: An act relat  
interest rate on S  
 Sponsor: Halford, Fa  
 Requestor:  
 Date of Request: Ap

Commerce & Economic Developmen  
 ected:  
 ment  
 Program(s) Affected:  
 lections

**EXPENDITURES/REVENUE**

|                        |  |      |       |       |       | FY 89   | FY 90 |
|------------------------|--|------|-------|-------|-------|---------|-------|
| <b>OPERATING</b>       |  |      |       |       |       |         |       |
| 100 PERSONAL SERVICES  |  |      |       |       |       |         |       |
| 200 TRAVEL             |  |      |       |       |       |         |       |
| 300 CONTRACTUAL        |  |      |       |       |       |         |       |
| 400 SUPPLIES           |  |      |       |       |       |         |       |
| 500 EQUIPMENT          |  |      |       |       |       |         |       |
| 600 LAND & STRUCTURES  |  |      |       |       |       |         |       |
| 700 GRANTS, CLAIMS     |  |      |       |       |       |         |       |
| 800 MISCELLANEOUS      |  |      |       |       |       |         |       |
| <b>TOTAL OPERATING</b> |  |      |       |       |       |         |       |
| <b>CAPITAL</b>         |  |      |       |       |       |         |       |
|                        |  |      |       |       |       |         |       |
| <b>REVENUE</b>         |  | 80.2 | 258.4 | 484.1 | 750.5 | 1,048.6 |       |

**FUNDING:** (Thousands of Dollars)

|               |  |  |  |  |  |  |
|---------------|--|--|--|--|--|--|
| GENERAL FUND  |  |  |  |  |  |  |
| FEDERAL FUNDS |  |  |  |  |  |  |
| OTHER         |  |  |  |  |  |  |
| <b>TOTAL</b>  |  |  |  |  |  |  |

**POSITIONS:**

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

**ANALYSIS:** Attach a separate page if necessary  
 Data was provided by the Division of Investments for current market interest rates for the various loan programs and the resulting decreased loan demand.

The fiscal impact to revenue is the net interest rate increase of .5 percent per year, as proposed in SB 281. All active loan programs administered by DCED are included.

Prepared By: Margaret I. Hamley, Director  
 Division: Accounting & Collections  
 Approved by Commissioner: Loren H. Lounsbury  
 Agency: Commerce & Economic Development

Phone: 465-2555  
 Date: 4-19-84  
 Date: 4/17/84

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: SB 281  
 Title: An act relating to the  
interest rate on State loan programs  
 Sponsor: Halford, Faiks, Sackett, et al  
 Requestor: \_\_\_\_\_  
 Date of Request: April 12, 1985

**FISCAL DETAIL**

Agency Affected: Commerce & Economic Development  
 Program Category Affected: \_\_\_\_\_  
 Program or Subprogram(s) Affected: \_\_\_\_\_  
 Accounting & Collections

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

|                        | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90   |
|------------------------|-------|-------|-------|-------|-------|---------|
| <b>OPERATING</b>       |       |       |       |       |       |         |
| 100 PERSONAL SERVICES  |       |       |       |       |       |         |
| 200 TRAVEL             |       |       |       |       |       |         |
| 300 CONTRACTUAL        |       |       |       |       |       |         |
| 400 SUPPLIES           |       |       |       |       |       |         |
| 500 EQUIPMENT          |       |       |       |       |       |         |
| 500 LAND & STRUCTURES  |       |       |       |       |       |         |
| 700 GRANTS, CLAIMS     |       |       |       |       |       |         |
| 800 MISCELLANEOUS      |       |       |       |       |       |         |
| <b>TOTAL OPERATING</b> |       |       |       |       |       |         |
| <b>CAPITAL</b>         |       |       |       |       |       |         |
| <b>REVENUE</b>         |       | 80.2  | 258.4 | 484.1 | 750.5 | 1,048.6 |

**FUNDING: (Thousands of Dollars)**

|               |  |  |  |  |  |  |
|---------------|--|--|--|--|--|--|
| GENERAL FUND  |  |  |  |  |  |  |
| FEDERAL FUNDS |  |  |  |  |  |  |
| OTHER         |  |  |  |  |  |  |
| <b>TOTAL</b>  |  |  |  |  |  |  |

**POSITIONS:**

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

**ANALYSIS:** Attach a separate page if necessary

Data was provided by the Division of Investments for current market interest rates for the various loan programs and the resulting decreased loan demand.

The fiscal impact to revenue is the net interest rate increase of .5 percent per year, as proposed in SB 281. All active loan programs administered by DCED are included.

Prepared By: Margaret I. Hamley, Director  
 Division: Accounting & Collections

Phone: 465-2555  
 Date: 4-17-85

Approved by Commissioner: Loren H. Lounsbury  
 Agency: Commerce & Economic Development

Date: 4/17/85

**Distribution (by Agency preparing fiscal note):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

SB 281  
FISCAL NOTE - REVENUE ANALYSIS

ESTIMATED CHANGE IN LOAN DEMAND FOR EACH .5% INCREASE IN INTEREST RATE:

|                       | CF    | BF    | CC    | HD    | M     | AE            | REC   | FE    |
|-----------------------|-------|-------|-------|-------|-------|---------------|-------|-------|
| Statutory Rate        | 10.50 | 10.52 | 7.00  | 7.50  | 10.00 | 5.00<br>15.00 | 10.52 | 9.50  |
| Market Rate           | 14.50 | 12.50 | 14.00 | 15.00 | 15.50 | 17.50         | 17.50 | 15.50 |
| Decreased Loan Demand |       |       |       |       |       |               |       |       |
| FY '86                | none  | none  | none  | none  | none  | none          | none  | none  |
| FY '87                | 2%    | none  | none  | none  | 5%    | none          | 5%    | none  |
| FY '88                | 2%    | none  | none  | none  | 5%    | none          | 5%    | none  |
| FY '89                | 2%    | none  | none  | none  | 5%    | none          | 5%    | none  |
| FY '90                | 2%    | none  | none  | none  | 5%    | none          | 5%    | none  |

Estimates provided by Division of Investments, Department of Commerce and Economic Development, as of April 16, 1985.

-----  
SUMMARY OF FISCAL IMPACT: REVENUE (based on Division of Investments' assumptions above)

|                                 | FY '86          | FY '87           | FY '88           | FY '89           | FY '90             |
|---------------------------------|-----------------|------------------|------------------|------------------|--------------------|
| Commercial Fish                 | \$38,010        | \$132,525        | \$264,749        | \$431,176        | \$ 627,707         |
| Bulk Fuel                       | 2,625           | 5,250            | 7,875            | 10,500           | 10,500             |
| Child Care                      | 1,504           | 6,006            | 13,493           | 22,758           | 36,076             |
| Historical Districts            | 750             | 3,191            | 6,777            | 12,072           | 18,892             |
| Mining                          | 24,000          | 63,624           | 92,309           | 108,876          | 110,855            |
| Alternative Energy              | 10,307          | 40,025           | 87,885           | 152,524          | 232,394            |
| Residential Energy Conservation | 3,000           | 7,811            | 11,058           | 12,587           | 12,220             |
| Fisheries Enhancement           | Ø               | Ø                | Ø                | Ø                | Ø                  |
| TOTAL                           | <u>\$80,196</u> | <u>\$258,432</u> | <u>\$484,146</u> | <u>\$750,493</u> | <u>\$1,048,644</u> |

Fiscal impact revenue analysis prepared by Division of Accounting and Collections

STATE OF ALASKA 1985 LEGI  
FISCAL NOT

4/2/86

Hold

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exempts student  
loans

REVISION  
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Stude

REQUEST  
Bill/Resolution No.: SB 281  
Title: Re: Interest Rates on  
State Loans  
Sponsor: Halford, et. al.  
Requestor: Senator Halford  
Date of Request:

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                        | FY 85 | FY 86 | FY 87  |         |         |           |     |
|------------------------|-------|-------|--------|---------|---------|-----------|-----|
| <b>OPERATING</b>       |       |       |        |         |         |           |     |
| 100 PERSONAL SERVICES  |       |       |        |         |         |           |     |
| 200 TRAVEL             |       |       |        |         |         |           |     |
| 300 CONTRACTUAL        |       | 20.0  |        |         |         |           |     |
| 400 SUPPLIES           |       |       |        |         |         |           |     |
| 500 EQUIPMENT          |       |       |        |         |         |           |     |
| 600 LAND & STRUCTURES  |       |       |        |         |         |           |     |
| 700 GRANTS, CLAIMS     |       |       |        |         |         |           |     |
| 800 MISCELLANEOUS      |       |       |        |         |         |           |     |
| <b>TOTAL OPERATING</b> | N.A.  | 20.0  | -0-    | -0-     | -0-     | -0-       | -0- |
| <b>CAPITAL</b>         |       |       |        |         |         |           |     |
| <b>REVENUE</b>         | N.A.  | N.A.  | (85.6) | (295.4) | (671.8) | (1,297.0) |     |

FUNDING: (Thousands of Dollars)

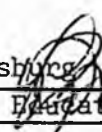
|               |      |      |        |         |         |           |
|---------------|------|------|--------|---------|---------|-----------|
| GENERAL FUND  | N.A. | 20.0 | (85.6) | (295.4) | (671.8) | (1,297.0) |
| FEDERAL FUNDS |      |      |        |         |         |           |
| OTHER         |      |      |        |         |         |           |
| TOTAL         |      |      |        |         |         |           |

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

See attached table.

Prepared By: Kerry D. Romesh  Phone: 465-2854  
Division: Postsecondary Education Commission Date: 4/17/85

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: SB 281  
 Title: Re: Interest Rates on  
                     State Loans  
 Sponsor: Halford, et. al.  
 Requestor: Senator Halford  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Education  
 Program Category Affected:  
                     Postsecondary Education  
 BRU, Program or Subprogram(s) Affected:  
                     Student Loan Program

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

|                        | FY 85 | FY 86 | FY 87  | FY 88   | FY 89   | FY 90     |
|------------------------|-------|-------|--------|---------|---------|-----------|
| <b>OPERATING</b>       |       |       |        |         |         |           |
| 100 PERSONAL SERVICES  |       |       |        |         |         |           |
| 200 TRAVEL             |       |       |        |         |         |           |
| 300 CONTRACTUAL        |       | 20.0  |        |         |         |           |
| 400 SUPPLIES           |       |       |        |         |         |           |
| 500 EQUIPMENT          |       |       |        |         |         |           |
| 600 LAND & STRUCTURES  |       |       |        |         |         |           |
| 700 GRANTS, CLAIMS     |       |       |        |         |         |           |
| 800 MISCELLANEOUS      |       |       |        |         |         |           |
| <b>TOTAL OPERATING</b> | N.A.  | 20.0  | -0-    | -0-     | -0-     | -0-       |
| <b>CAPITAL</b>         |       |       |        |         |         |           |
| <b>REVENUE</b>         | N.A.  | N.A.  | (85.6) | (295.4) | (671.8) | (1,297.0) |

**FUNDING: (Thousands of Dollars)**

|               |      |      |        |         |         |           |
|---------------|------|------|--------|---------|---------|-----------|
| GENERAL FUND  | N.A. | 20.0 | (85.6) | (295.4) | (671.8) | (1,297.0) |
| FEDERAL FUNDS |      |      |        |         |         |           |
| OTHER         |      |      |        |         |         |           |
| <b>TOTAL</b>  |      |      |        |         |         |           |

**POSITIONS:**

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

**ANALYSIS:** Attach a separate page if necessary

See attached table.

Prepared By: Kerry D. Romeshing  
 Division: Postsecondary Education Commission

Phone: 465-2854  
 Date: 4/17/85

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

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

7/1/84

Increase loan interest rates by 1/2% per year, until it reaches 8%, retain other current terms.

(a) Fiscal Impact:

| Year of<br>Impact | BORROWING YEAR |        |        |        |        |         |         |         |         |         |        |        |        | Total<br>Impact |
|-------------------|----------------|--------|--------|--------|--------|---------|---------|---------|---------|---------|--------|--------|--------|-----------------|
|                   | FY86           | FY87   | FY88   | FY89   | FY90   | FY91    | FY92    | FY93    | FY94    | FY95    | FY96   | FY97   | FY98   |                 |
| FY86              | \$ -0-         | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0-  | \$ -0-  | \$ -0-  | \$ -0-  | \$ -0-  | \$ -0- | \$ -0- | \$ -0- | \$ -0-          |
| FY87              | -0-            | -0-    | -0-    | -0-    | -0-    | -0-     | -0-     | -0-     | -0-     | -0-     | -0-    | -0-    | -0-    | -0-             |
| FY88              | 46.8           | -0-    | -0-    | -0-    | -0-    | -0-     | -0-     | -0-     | -0-     | -0-     | -0-    | -0-    | -0-    | 46.8            |
| FY89              | 91.2           | 85.6   | -0-    | -0-    | -0-    | -0-     | -0-     | -0-     | -0-     | -0-     | -0-    | -0-    | -0-    | 176.8           |
| FY90              | 136.8          | 167.0  | 128.4  | -0-    | -0-    | -0-     | -0-     | -0-     | -0-     | -0-     | -0-    | -0-    | -0-    | 432.2           |
| FY91              | 204.2          | 250.2  | 250.5  | 171.1  | -0-    | -0-     | -0-     | -0-     | -0-     | -0-     | -0-    | -0-    | -0-    | 876.0           |
| FY92              | 208.8          | 373.7  | 375.4  | 333.9  | 214.0  | -0-     | -0-     | -0-     | -0-     | -0-     | -0-    | -0-    | -0-    | 1,505.8         |
| FY93              | 208.8          | 382.1  | 560.5  | 500.5  | 417.4  | 256.7   | -0-     | -0-     | -0-     | -0-     | -0-    | -0-    | -0-    | 2,326.0         |
| FY94              | 208.8          | 382.1  | 573.1  | 747.3  | 625.6  | 500.9   | 256.7   | -0-     | -0-     | -0-     | -0-    | -0-    | -0-    | 3,294.5         |
| FY95              | 208.8          | 382.1  | 573.1  | 764.1  | 934.1  | 750.7   | 500.9   | 256.7   | -0-     | -0-     | -0-    | -0-    | -0-    | 4,370.5         |
| FY96              | 208.8          | 382.1  | 573.1  | 764.1  | 955.1  | 1,225.1 | 750.7   | 500.9   | 256.7   | -0-     | -0-    | -0-    | -0-    | 5,616.6         |
| FY97              | 208.8          | 382.1  | 573.1  | 764.1  | 955.1  | 1,146.2 | 1,225.1 | 750.7   | 500.9   | 256.7   | -0-    | -0-    | -0-    | 6,762.8         |
| FY98              | 162.0          | 382.1  | 573.1  | 764.1  | 955.1  | 1,146.2 | 1,146.2 | 1,225.1 | 750.7   | 500.9   | 256.7  | -0-    | -0-    | 7,862.2         |
| FY99              | 117.6          | 296.5  | 573.1  | 764.1  | 955.1  | 1,146.2 | 1,146.2 | 1,146.2 | 1,225.1 | 750.7   | 500.9  | 256.7  | -0-    | 8,878.4         |
| FY00              | 72.0           | 215.1  | 444.7  | 764.1  | 955.1  | 1,146.2 | 1,146.2 | 1,146.2 | 1,146.2 | 1,225.1 | 750.7  | 500.9  | 256.7  | 9,769.2         |

4/8/86

SESSION

REQUEST

Bill/Resolution No  
Title: "An Act r  
rates on State loan  
Sponsor: Halford  
Requestor:  
Date of Request:

*Byrd per Jens.  
Not the intent of  
Committee to report  
the bill out  
w/ financial implications.*

Commerce & Econ. Dev.  
Affected:  
velopment  
program(s) Affected:  
Investments

EXPENDITURES/REVENUE

|                        |  |             |             | FY 89       | FY 90       |
|------------------------|--|-------------|-------------|-------------|-------------|
| <b>OPERATING</b>       |  |             |             |             |             |
| 100 PERSONAL SERVICES  |  |             |             |             |             |
| 200 TRAVEL             |  |             |             |             |             |
| 300 CONTRACTUAL        |  | 10.0        | 10.0        | 10.0        | 10.0        |
| 400 SUPPLIES           |  | 10.0        |             |             |             |
| 500 EQUIPMENT          |  |             |             |             |             |
| 500 LAND & STRUCTURES  |  |             |             |             |             |
| 700 GRANTS, CLAIMS     |  |             |             |             |             |
| 800 MISCELLANEOUS      |  |             |             |             |             |
| <b>TOTAL OPERATING</b> |  | <b>20.0</b> | <b>10.0</b> | <b>10.0</b> | <b>10.0</b> |

|                |  |     |     |     |     |     |
|----------------|--|-----|-----|-----|-----|-----|
| <b>CAPITAL</b> |  | -0- | -0- | -0- | -0- | -0- |
|----------------|--|-----|-----|-----|-----|-----|

|                |  |     |     |     |     |     |
|----------------|--|-----|-----|-----|-----|-----|
| <b>REVENUE</b> |  | -0- | -0- | -0- | -0- | -0- |
|----------------|--|-----|-----|-----|-----|-----|

FUNDING: (Thousands of Dollars)

|               |  |             |             |             |             |             |
|---------------|--|-------------|-------------|-------------|-------------|-------------|
| GENERAL FUND  |  | 20.0        | 10.0        | 10.0        | 10.0        | 10.0        |
| FEDERAL FUNDS |  |             |             |             |             |             |
| OTHER         |  |             |             |             |             |             |
| <b>TOTAL</b>  |  | <b>20.0</b> | <b>10.0</b> | <b>10.0</b> | <b>10.0</b> | <b>10.0</b> |

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

\$10,000 is requested for a one-time charge to prepare and distribute copies of regulations for public comment relating to determination of the existing market rate for each program, and revision and reprinting of the State loan applications and pamphlets. A continuing cost of \$10,000 is required for a contractor to determine market rates for each program on a yearly basis in a manner that would be defensible in court.

Prepared By: Paul B. Arnoldt, Director  
Division: Investments

Phone: 465-2510

Date: 4/16/85

Approved by Commissioner: Loren H. Lounsbury  
Agency: Commerce and Economic Development

Date: 4/17/85

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: SB281  
 Title: "An Act relating to rates on State loan programs . . ."  
 Sponsor: Halford  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.  
 Program Category Affected: Development  
 BRU, Program or Subprogram(s) Affected: Division of Investments

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                        | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|------------------------|-------|-------|-------|-------|-------|-------|
| <b>OPERATING</b>       |       |       |       |       |       |       |
| 100 PERSONAL SERVICES  |       |       |       |       |       |       |
| 200 TRAVEL             |       |       |       |       |       |       |
| 300 CONTRACTUAL        |       | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  |
| 400 SUPPLIES           |       | 10.0  |       |       |       |       |
| 500 EQUIPMENT          |       |       |       |       |       |       |
| 600 LAND & STRUCTURES  |       |       |       |       |       |       |
| 700 GRANTS, CLAIMS     |       |       |       |       |       |       |
| 800 MISCELLANEOUS      |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> |       | 20.0  | 10.0  | 10.0  | 10.0  | 10.0  |
| <b>CAPITAL</b>         |       | -0-   | -0-   | -0-   | -0-   | -0-   |
| <b>REVENUE</b>         |       | -0-   | -0-   | -0-   | -0-   | -0-   |

FUNDING: (Thousands of Dollars)

|               |  |      |      |      |      |      |
|---------------|--|------|------|------|------|------|
| GENERAL FUND  |  | 20.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| FEDERAL FUNDS |  |      |      |      |      |      |
| OTHER         |  |      |      |      |      |      |
| <b>TOTAL</b>  |  | 20.0 | 10.0 | 10.0 | 10.0 | 10.0 |

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

\$10,000 is requested for a one-time charge to prepare and distribute copies of regulations for public comment relating to determination of the existing market rate for each program, and revision and reprinting of the State loan applications and pamphlets. A continuing cost of \$10,000 is required for a contractor to determine market rates for each program on a yearly basis in a manner that would be defensible in court.

Prepared By: Paul B. Arnoldt, Director  
 Division: Investments

Phone: 465-2510  
 Date: 4/16/85

Approved by Commissioner: Loren H. Lounsbury  
 Agency: Commerce and Economic Development

Date: 4/17/85

Distribution (by Agency preparing fiscal note):

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

7/1/84

**STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: SB 281  
 Title: An Act realted to interest rate on State loan programs, etc.  
 Sponsor: \_\_\_\_\_  
 Requestor: Halford, Raiks, etc.  
 Date of Request: 4-11-85

**FISCAL DETAIL**

Agency Affected: DCED  
 Program Category Affected: Energy  
 BRU, Program or Subprogram(s) Affected: Alaska Power Authority  
Rural Electrification Revolving Loan Fund  
 ( Current interest rate 2% )

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

|                          | FY 85    | FY 86    | FY 87    | FY 88     | FY 89     | FY 90     |
|--------------------------|----------|----------|----------|-----------|-----------|-----------|
| <b>OPERATING</b>         |          |          |          |           |           |           |
| 100 PERSONAL SERVICES    |          |          |          |           |           |           |
| 200 TRAVEL               |          |          |          |           |           |           |
| 300 CONTRACTUAL          |          |          |          |           |           |           |
| 400 SUPPLIES             |          |          |          |           |           |           |
| 500 EQUIPMENT            |          |          |          |           |           |           |
| 600 LAND & STRUCTURES    |          |          |          |           |           |           |
| 700 GRANTS, CLAIMS       |          |          |          |           |           |           |
| 800 MISCELLANEOUS        |          |          |          |           |           |           |
| <b>A TOTAL OPERATING</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b>  | <b>0</b>  |
| <b>CAPITAL</b>           | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b>  | <b>0</b>  |
| <b>B REVENUE</b>         | <b>0</b> | <b>0</b> | <b>0</b> | <b>18</b> | <b>38</b> | <b>68</b> |

**FUNDING: (Thousands of Dollars)**

|               |          |          |          |          |          |          |
|---------------|----------|----------|----------|----------|----------|----------|
| GENERAL FUND  | 0        | 0        | 0        | 0        | 0        | 0        |
| FEDERAL FUNDS |          |          |          |          |          |          |
| OTHER         |          |          |          |          |          |          |
| <b>TOTAL</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

**POSITIONS:**

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

**ANALYSIS:** Attach a separate page if necessary

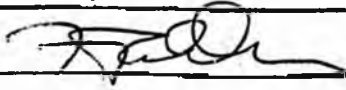
**A** APA financial staff will research and recommend the prevailing market rate index appropriate to this loan program.

**B** Reflects gradual bill impact

Prepared By: William H. Batt  
 Division: Alaska Power Authority

Phone: 276-0001

Date: 4-17-85

Approved by Commissioner:   
 Agency: \_\_\_\_\_

Date: 4/18/85

Distribution (by Agency preparing fiscal note):

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

7/1/84

**STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: SB 291  
 Title: An Act relating to the in-  
terest rate on state loan programs  
 Sponsor: Halford, Faiks et al  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Department of Revenue  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected:  
Alaska Housing Finance Corporation

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

|                        | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|------------------------|-------|-------|-------|-------|-------|-------|
| <b>OPERATING</b>       |       |       |       |       |       |       |
| 100 PERSONAL SERVICES  |       |       |       |       |       |       |
| 200 TRAVEL             |       |       |       |       |       |       |
| 300 CONTRACTUAL        |       |       |       |       |       |       |
| 400 SUPPLIES           |       |       |       |       |       |       |
| 500 EQUIPMENT          |       |       |       |       |       |       |
| 600 LAND & STRUCTURES  |       |       |       |       |       |       |
| 700 GRANTS, CLAIMS     |       |       |       |       |       |       |
| 800 MISCELLANEOUS      |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> | -0-   | -0-   | -0-   | -0-   | -0-   | -0-   |
| <b>CAPITAL</b>         |       |       |       |       |       |       |
| <b>REVENUE</b>         |       |       |       |       |       |       |

**FUNDING: (Thousands of Dollars)**

|               |     |     |     |     |     |     |
|---------------|-----|-----|-----|-----|-----|-----|
| GENERAL FUND  |     |     |     |     |     |     |
| FEDERAL FUNDS |     |     |     |     |     |     |
| OTHER         | -0- | -0- | -0- | -0- | -0- | -0- |
| <b>TOTAL</b>  |     |     |     |     |     |     |

**POSITIONS:**

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

**ANALYSIS:** Attach a separate page if necessary

Please refer to Exhibits A and B and to Exhibit I and April 24, 1985 letter to Senator Halford for fiscal impacts of SB 281

*Mark K. Cameron*

Prepared By: Mark K. Cameron Phone: 276-5599  
 Division: Alaska Housing Finance Corporation Date: \_\_\_\_\_  
 Approved by Commissioner: [Signature] Date: 4/29/85  
 Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

7/1/84

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date : 1/16/86

**REQUEST**

Bill/Resolution No. : SB 281  
 Title : An Act relating to interest rates  
 on State loan programs

Sponsor : Senator Halford, et al  
 Requestor : Senate Finance Committee  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : DCRA  
 BRU : n/a

Components : n/a

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

| OPERATING              | FY 86      | FY 87      | FY 88      | FY 89      | FY 90      | FY 91      |
|------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES      |            |            |            |            |            |            |
| TRAVEL                 |            |            |            |            |            |            |
| CONTRACTUAL            |            |            |            |            |            |            |
| SUPPLIES               |            |            |            |            |            |            |
| EQUIPMENT              |            |            |            |            |            |            |
| LAND & STRUCTURES      |            |            |            |            |            |            |
| GRANTS, CLAIMS         |            |            |            |            |            |            |
| MISCELLANEOUS          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>-0-</b> | <b>-0-</b> | <b>-0-</b> | <b>-0-</b> | <b>-0-</b> | <b>-0-</b> |

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| CAPITAL |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| REVENUE |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

**FUNDING : (Thousands of Dollars)**

|               |     |     |     |     |     |     |
|---------------|-----|-----|-----|-----|-----|-----|
| GENERAL FUND  | -0- | -0- | -0- | -0- | -0- | -0- |
| FEDERAL FUNDS |     |     |     |     |     |     |
| OTHER         |     |     |     |     |     |     |
| <b>TOTAL</b>  |     |     |     |     |     |     |

**POSITIONS :**

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

**ANALYSIS :** Attach a separate page if necessary

Prepared by : Clark Boston *JB for*  
 Division : Housing Assistance Division

Phone : 561-0900  
 Date : 1/16/86

Approved by Commissioner : Emil Notti  
 Agency : Community and Regional Affairs

Date : 1/16/86

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ANALYSIS FOR SENATE BILL 281

An Act relating to the interest rate on state loan programs

This bill amends Title 37, Public Finance with the addition of a new section which would raise interest rates for loan programs administered by the state or an instrumentality of the state. On October 1 of each year the interest rate would be raised by  $\frac{1}{2}$  per cent until it was equal to the prevailing market rate or equal to the cost of borrowing money if the loan program is financed by the sale of bonds or other indebtedness.

Effective date is October 1, 1985.

EXHIBIT B

Senate Finance Committee Hearing

SB 281

April 18, 1985

ALASKA HOUSING FINANCE CORPORATION

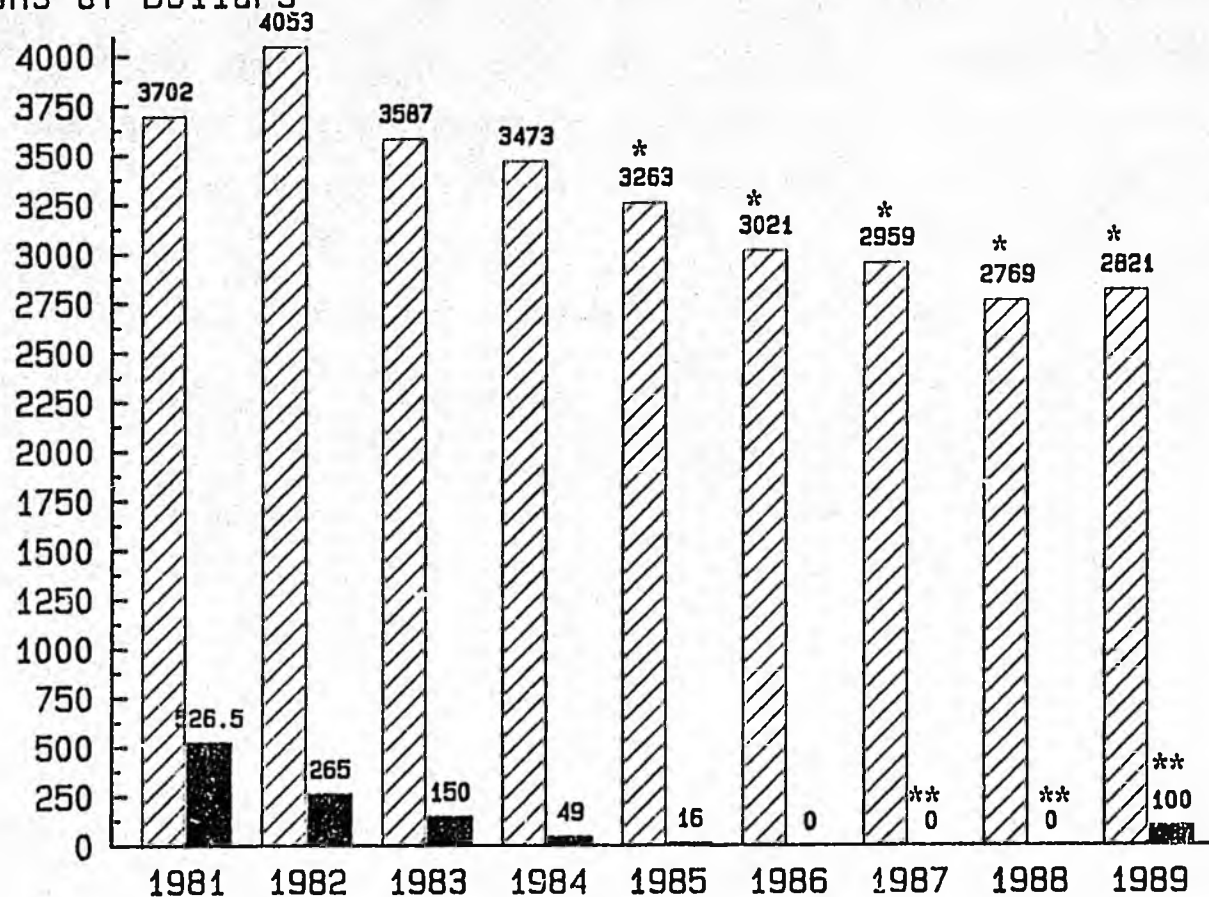
PROGRAM OVERVIEW



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*STATE GENERAL FUND UNRESTRICTED REVENUES*  
 - VS -  
*TOTAL AHFC APPROPRIATIONS*

Millions of Dollars

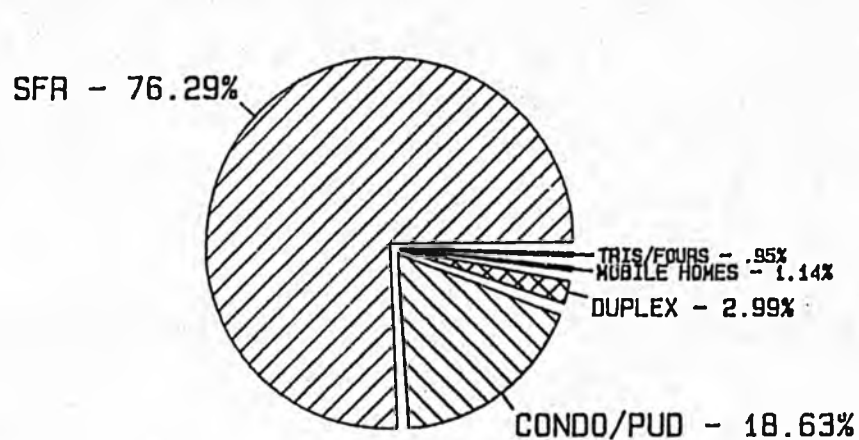


 State General Fund Unrestricted Revenue  
 Total AHFC Appropriations

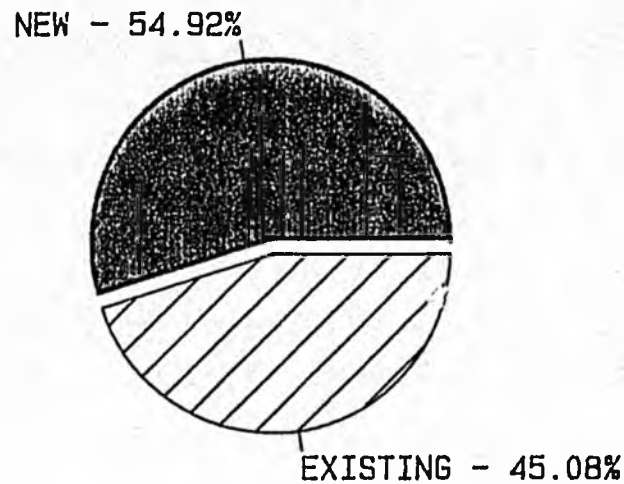
\* Dept of Revenue Mean Average Projection  
 \*\* AHFC 4-15-85 Estimate

State Fiscal Year

ALASKA HOUSING FINANCE CORPORATION  
 SUMMARY OF ALL FIRST MORTGAGES PURCHASED  
 Fiscal Year 1985 Thru 3/31/85

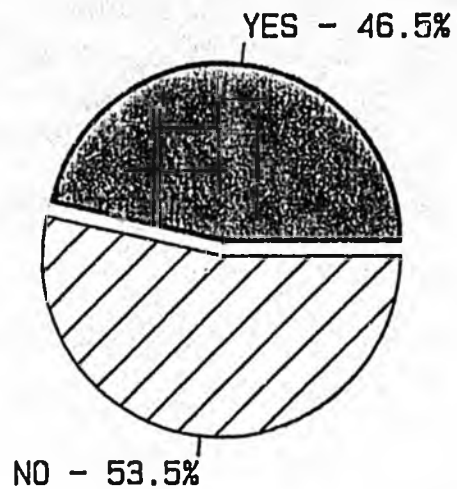


Dwelling Type

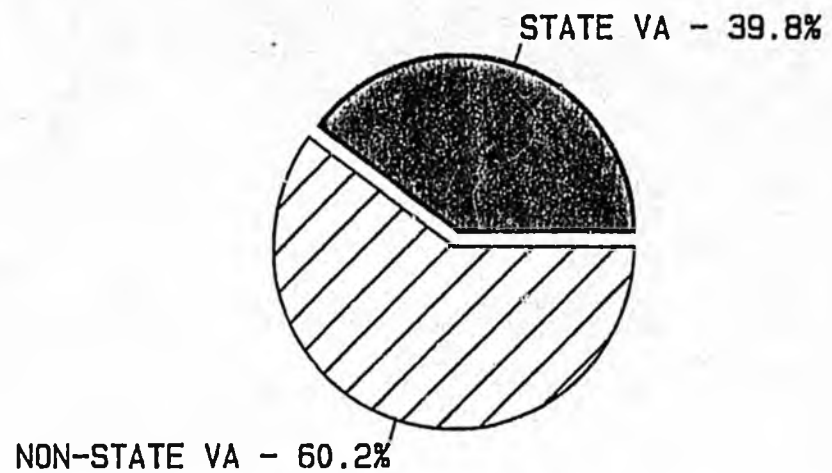


New or Existing Dwelling

ALASKA HOUSING FINANCE CORPORATION  
SUMMARY OF ALL FIRST MORTGAGES PURCHASED  
Fiscal Year 1985 Thru 3/31/85



First Time Homeowner



Veteran Eligibility

DATE 3/31/85

ALASKA HOUSING FINANCE CORPORATION  
ALL FIRST MORTGAGES  
LOAN SUMMARY MORTGAGES PURCHASED

|                           | FY 1983<br>----- | %     | FY 1984<br>----- | %     | FY 1985 THRU( 3/31/85) %<br>----- |       |
|---------------------------|------------------|-------|------------------|-------|-----------------------------------|-------|
| SALES PRICE               | 105,807          |       | 120,754          |       | 123,545                           |       |
| APPRAISED VALUE           | 108,430          |       | 123,572          |       | 128,371                           |       |
| NOTE AMOUNT               | 93,012           |       | 106,003          |       | 106,912                           |       |
| MONTHLY INCOME            | 4,059            |       | 4,536            |       | 4,490                             |       |
| AGE OF BORROWER           | 33.7             |       | 34.7             |       | 35.1                              |       |
| SIZE OF HOUSEHOLD         | 2.5              |       | 2.7              |       | 2.7                               |       |
| LOAN TO SALES PRICE RATIO | 87.91%           |       | 87.78%           |       | 86.54%                            |       |
| WEIGHTED AVG INT. RATE    | 10.73%           |       | 10.09%           |       | 11.22%                            |       |
| MONTHLY P&I               | 877.14           |       | 943.72           |       | 1,036.98                          |       |
| DWELLING TYPE..SFR        | 5,989            | 69.72 | 8,821            | 74.13 | 4,624                             | 76.29 |
| CONDO                     | 2,036            | 23.70 | 2,083            | 17.50 | 924                               | 15.25 |
| DUPLX                     | 287              | 3.34  | 478              | 4.00  | 181                               | 2.99  |
| PUD                       | 288              | 3.12  | 361              | 3.03  | 205                               | 3.38  |
| MOHM                      |                  |       | 5                | .04   | 69                                | 1.14  |
| TRI-PLEX                  | 4                | .05   | 40               | .34   | 20                                | .23   |
| FOUR PLEX                 | 6                | .07   | 114              | .96   | 38                                | .63   |
| NEW/EXISTING....NEW       | 5,382            | 62.65 | 6,814            | 57.26 | 3,329                             | 54.92 |
| EXISTING                  | 3,208            | 37.35 | 5,086            | 42.74 | 2,732                             | 45.08 |
| 1ST TIME HOMEOWNER..YES   | 4,461            | 51.93 | 5,445            | 45.76 | 2,816                             | 46.46 |
| NO                        | 4,129            | 48.07 | 6,455            | 54.24 | 3,245                             | 53.54 |
| INSURANCE TYPE.....FHA    |                  |       |                  |       | 0                                 | .00   |
| VA                        | 814              | 9.48  | 2,073            | 17.42 | 1,161                             | 19.16 |
| CONVA                     | 7,776            | 90.62 | 9,827            | 82.58 | 4,900                             | 80.84 |
| ELIGIBILITY.....STVA      | 2,391            | 27.83 | 4,915            | 41.30 | 2,414                             | 39.83 |
| NON-STVA                  | 6,199            | 72.17 | 6,985            | 58.70 | 3,647                             | 60.17 |
|                           |                  |       |                  |       | 0                                 | .00   |
| ORIG. PRINCIPAL BALANCE   | 798,968,900.00   |       | 1,261,435,600.00 |       | 647,996,650.00                    |       |
| ORIG. NUMBER OF LOANS     | 8,590            |       | 11,900           |       | 6,061                             |       |

DATE 3/31/85

ALASKA HOUSING FINANCE CORPORATION  
TAXABLE FIRST MORTGAGES  
LOAN SUMMARY MORTGAGES PURCHASED

|                           | FY 1983        |       | FY 1984        |       | FY 1985 THRU( 3/31/85) % |       |
|---------------------------|----------------|-------|----------------|-------|--------------------------|-------|
|                           |                | %     |                | %     |                          | %     |
| SALES PRICE               | 117,418        |       | 135,722        |       | 123,399                  |       |
| APPRAISED VALUE           | 120,477        |       | 139,275        |       | 126,531                  |       |
| NOTE AMOUNT               | 98,764         |       | 113,460        |       | 104,768                  |       |
| MONTHLY INCOME            | 4,614          |       | 5,174          |       | 4,455                    |       |
| AGE OF BORROWER           | 35.5           |       | 34.6           |       | 33.4                     |       |
| SIZE OF HOUSEHOLD         | 2.7            |       | 2.7            |       | 2.5                      |       |
| LOAN TO SALES PRICE RATIO | 84.96%         |       | 83.60%         |       | 84.90%                   |       |
| WEIGHTED AVG INT. RATE    | 11.53%         |       | 10.72%         |       | 11.73%                   |       |
| MONTHLY P&I               | 999.53         |       | 1,068.85       |       | 1,056.23                 |       |
| DWELLING TYPE..SFR        | 3,408          | 74.64 | 3,368          | 73.03 | 2,544                    | 71.97 |
| CONDO                     | 755            | 16.54 | 548            | 11.88 | 612                      | 17.31 |
| DUPLX                     | 297            | 4.53  | 359            | 7.78  | 157                      | 4.44  |
| PUD                       | 186            | 4.07  | 183            | 3.97  | 120                      | 3.39  |
| MOHM                      |                |       |                |       | 48                       | 1.36  |
| TRI-PLEX                  | 4              | .09   | 40             | .87   | 16                       | .45   |
| FOUR PLEX                 | 6              | .13   | 114            | 2.47  | 38                       | 1.07  |
| NEW/EXISTING....NEW       | 2,640          | 57.82 | 2,542          | 55.12 | 2,021                    | 57.17 |
| EXISTING                  | 1,926          | 42.18 | 2,070          | 44.88 | 1,514                    | 42.83 |
| 1ST TIME HOMEOWNER..YES   | 1,372          | 30.05 | 1,187          | 25.74 | 1,653                    | 46.76 |
| NO                        | 3,194          | 69.95 | 3,425          | 74.26 | 1,882                    | 53.24 |
| INSURANCE TYPE.....FHA    |                |       |                |       | 0                        | .00   |
| VA                        | 314            | 6.88  | 114            | 2.47  | 154                      | 4.36  |
| CONVA                     | 4,252          | 93.12 | 4,498          | 97.53 | 3,381                    | 95.64 |
| ELIGIBILITY.....STVA      | 1,274          | 27.90 | 451            | 9.78  | 262                      | 7.41  |
| NON-STVA                  | 3,292          | 72.10 | 4,161          | 90.22 | 3,273                    | 92.59 |
|                           |                |       |                |       | 0                        | .00   |
| ORIG. PRINCIPAL BALANCE   | 455,521,850.00 |       | 523,278,050.00 |       | 370,353,950.00           |       |
| ORIG. NUMBER OF LOANS     | 4,566          |       | 4,612          |       | 3,535                    |       |

DATE 3/31/85

ALASKA HOUSING FINANCE CORPORATION  
TAX EXEMPT MSBTA F. 1ST MORTGAGES  
LOAN SUMMARY MORTGAGES PURCHASED

|                           | FY 1983        |       | FY 1984        |       | FY 1985 THRU( 3/31/85) % |       |
|---------------------------|----------------|-------|----------------|-------|--------------------------|-------|
|                           |                | %     |                | %     |                          | %     |
| SALES PRICE               | 85,059         |       | 88,458         |       | 90,041                   |       |
| APPRAISED VALUE           | 87,153         |       | 90,846         |       | 92,483                   |       |
| NOTE AMOUNT               | 79,654         |       | 82,777         |       | 84,415                   |       |
| MONTHLY INCOME            | 3,074          |       | 3,055          |       | 3,102                    |       |
| AGE OF BORROWER           | 30.3           |       | 30.4           |       | 30.7                     |       |
| SIZE OF HOUSEHOLD         | 2.2            |       | 2.3            |       | 2.3                      |       |
| LOAN TO SALES PRICE RATIO | 93.65%         |       | 93.58%         |       | 93.75%                   |       |
| WEIGHTED AVG INT. RATE    | 9.88%          |       | 9.89%          |       | 10.58%                   |       |
| MONTHLY P&I               | 692.83         |       | 720.35         |       | 777.79                   |       |
| DWELLING TYPE..SFR        | 1,882          | 59.24 | 2,020          | 61.74 | 284                      | 65.44 |
| CONDO                     | 1,200          | 37.77 | 1,173          | 35.85 | 139                      | 32.03 |
| DUPLX                     | 33             | 1.04  | 26             | .79   | 3                        | .69   |
| PUD                       | 62             | 1.95  | 50             | 1.53  | 4                        | .92   |
| MOHM                      |                |       | 3              | .09   | 4                        | .92   |
| TRI-PLEX                  |                |       |                |       | 0                        | .00   |
| FOUR PLEX                 |                |       |                |       | 0                        | .00   |
| NEW/EXISTING....NEW       | 2,294          | 72.21 | 2,226          | 68.03 | 259                      | 59.68 |
| EXISTING                  | 883            | 27.79 | 1,046          | 31.97 | 175                      | 40.32 |
| 1ST TIME HOMEOWNER..YES   | 2,814          | 88.57 | 2,873          | 87.81 | 379                      | 87.33 |
| NO                        | 363            | 11.43 | 399            | 12.19 | 55                       | 12.67 |
| INSURANCE TYPE.....FHA    |                |       |                |       | 0                        | .00   |
| VA                        | 251            | 7.90  | 363            | 11.09 | 81                       | 18.66 |
| CONVA                     | 2,926          | 92.10 | 2,909          | 88.91 | 353                      | 81.34 |
| ELIGIBILITY.....STVA      | 546            | 17.19 | 448            | 13.69 | 61                       | 14.06 |
| NON-STVA                  | 2,631          | 82.81 | 2,824          | 86.31 | 373                      | 85.94 |
|                           |                |       |                |       | 0                        | .00   |
| ORIG. PRINCIPAL BALANCE   | 253,061,800.00 |       | 270,847,450.00 |       | 36,636,000.00            |       |
| ORIG. NUMBER OF LOANS     | 3,177          |       | 3,272          |       | 434                      |       |

DATE 3/31/85

ALASKA HOUSING FINANCE CORPORATION  
 STATE GUARANTEED BONDS - VETERANS MORT.  
 LOAN SUMMARY MORTGAGES PURCHASED

|                           | FY 1983       |        | FY 1984        |        | FY 1985 THRU( 3/31/85) |       |
|---------------------------|---------------|--------|----------------|--------|------------------------|-------|
|                           |               | %      |                | %      |                        | %     |
| SALES PRICE               | 122,747       |        | 129,877        |        | 130,743                |       |
| APPRAISED VALUE           | 125,123       |        | 132,573        |        | 133,132                |       |
| NOTE AMOUNT               | 112,348       |        | 116,362        |        | 115,204                |       |
| MONTHLY INCOME            | 4,823         |        | 5,009          |        | 4,837                  |       |
| AGE OF BORROWER           | 37.8          |        | 38.4           |        | 38.7                   |       |
| SIZE OF HOUSEHOLD         | 3.0           |        | 3.1            |        | 3.1                    |       |
| LOAN TO SALES PRICE RATIO | 91.53%        |        | 89.59%         |        | 88.11%                 |       |
| WEIGHTED AVG INT. RATE    | 9.06%         |        | 9.51%          |        | 10.54%                 |       |
| MONTHLY P&I               | 909.44        |        | 982.01         |        | 1,058.24               |       |
| DWELLING TYPE..SFR        | 391           | 81.20  | 3,433          | 85.48  | 1,796                  | 85.85 |
| CONDO                     | 65            | 13.43  | 362            | 9.01   | 173                    | 8.27  |
| DUPLX                     | 10            | 2.07   | 91             | 2.27   | 21                     | 1.00  |
| PUD                       | 18            | 3.31   | 128            | 3.19   | 81                     | 3.87  |
| MOHM                      |               |        | 2              | .05    | 17                     | .81   |
| TRI-PLEX                  |               |        |                |        | 4                      | .19   |
| FOUR PLEX                 |               |        |                |        | 0                      | .00   |
| NEW/EXISTING....NEW       | 247           | 51.03  | 2,046          | 50.95  | 1,049                  | 50.14 |
| EXISTING                  | 237           | 48.97  | 1,970          | 49.05  | 1,043                  | 49.86 |
| 1ST TIME HOMEOWNER..YES   | 200           | 41.32  | 1,385          | 34.49  | 784                    | 37.48 |
| NO                        | 284           | 56.68  | 2,631          | 65.51  | 1,308                  | 62.52 |
| INSURANCE TYPE.....FHA    |               |        |                |        | 0                      | .00   |
| VA                        | 210           | 43.39  | 1,596          | 39.74  | 926                    | 44.26 |
| CONVA                     | 274           | 56.61  | 2,420          | 60.26  | 1,166                  | 55.74 |
| ELIGIBILITY.....STVA      | 484           | 100.00 | 4,016          | 100.00 | 2,091                  | 99.95 |
| NON-STVA                  |               |        |                |        | 1                      | .05   |
|                           |               |        |                |        | 0                      | .00   |
| ORIG. PRINCIPAL BALANCE   | 54,376,200.00 |        | 467,310,100.00 |        | 241,006,700.00         |       |
| ORIG. NUMBER OF LOANS     | 484           |        | 4,016          |        | 2,092                  |       |

DATE 3/31/85

ALASKA HOUSING FINANCE CORPORATION  
 MOBILE HOMES  
 LOAN SUMMARY MORTGAGES PURCHASED

|                           | FY 1983       | %      | FY 1984       | %      | FY 1985 THRU( 3/31/85) % |        |
|---------------------------|---------------|--------|---------------|--------|--------------------------|--------|
|                           | -----         |        | -----         |        | -----                    |        |
| SALES PRICE               | 33,864        |        | 38,433        |        | 40,775                   |        |
| APPRAISED VALUE           | 35,041        |        | 40,425        |        | 42,631                   |        |
| NOTE AMOUNT               | 31,376        |        | 36,861        |        | 41,648                   |        |
| MONTHLY INCOME            | 2,864         |        | 2,895         |        | 2,848                    |        |
| AGE OF BORROWER           | 31.9          |        | 32.1          |        | 31.8                     |        |
| SIZE OF HOUSEHOLD         | 2.5           |        | 2.5           |        | 2.4                      |        |
| LOAN TO SALES PRICE RATIO | 92.65%        |        | 95.91%        |        | 102.14%                  |        |
| WEIGHTED AVG INT. RATE    | 11.39%        |        | 10.22%        |        | 10.96%                   |        |
| MONTHLY P&I               | 343.30        |        | 372.50        |        | 444.82                   |        |
| DWELLING TYPE..SFR        |               |        |               |        | 0                        | .00    |
| CONDO                     |               |        |               |        | 0                        | .00    |
| DUPLX                     |               |        |               |        | 0                        | .00    |
| PUD                       |               |        |               |        | 0                        | .00    |
| MOHM                      | 1,872         | 100.00 | 1,619         | 100.00 | 593                      | 100.00 |
| TRI-PLEX                  |               |        |               |        | 0                        | .00    |
| FOUR PLEX                 |               |        |               |        | 0                        | .00    |
| NEW/EXISTING....NEW       | 390           | 20.83  | 312           | 19.27  | 84                       | 14.17  |
| EXISTING                  | 1,482         | 79.17  | 1,307         | 80.73  | 509                      | 85.83  |
| 1ST TIME HOMEOWNER..YES   | 1,249         | 66.72  | 1,142         | 70.54  | 453                      | 76.39  |
| NO                        | 623           | 33.28  | 477           | 29.46  | 140                      | 23.61  |
| INSURANCE TYPE.....FHA    |               |        |               |        | 0                        | .00    |
| VA                        | 4             | .21    | 10            | .62    | 22                       | 3.71   |
| CONVA                     | 1,868         | 99.79  | 1,609         | 99.38  | 528                      | 88.70  |
| ELIGIBILITY.....STVA      | 263           | 14.05  | 333           | 20.57  | 74                       | 12.48  |
| NON-STVA                  | 1,609         | 85.95  | 1,286         | 79.43  | 474                      | 79.93  |
|                           |               |        |               |        | 0                        | .00    |
| ORIG. PRINCIPAL BALANCE   | 58,735,850.00 |        | 59,677,888.00 |        | 24,897,547.00            |        |
| ORIG. NUMBER OF LOANS     | 1,872         |        | 1,619         |        | 593                      |        |

DATE 3/31/85

ALASKA HOUSING FINANCE CORPORATION  
RECEIVING HOME OWNERSHIP SUBSIDY  
LOAN SUMMARY MORTGAGES PURCHASED

|                           | FY 1983 %     |        | FY 1984 %     |       | FY 1985 THRU( 3/31/85) % |       |
|---------------------------|---------------|--------|---------------|-------|--------------------------|-------|
|                           | -----         | -----  | -----         | ----- | -----                    | ----- |
| SALES PRICE               | 74,320        |        | 77,505        |       | 74,792                   |       |
| APPRAISED VALUE           | 75,258        |        | 78,345        |       | 75,759                   |       |
| NOTE AMOUNT               | 69,798        |        | 73,177        |       | 71,982                   |       |
| MONTHLY INCOME            | 1,993         |        | 2,116         |       | 2,276                    |       |
| AGE OF BORROWER           | 29.5          |        | 30.0          |       | 30.4                     |       |
| SIZE OF HOUSEHOLD         | 1.8           |        | 2.2           |       | 2.2                      |       |
| LOAN TO SALES PRICE RATIO | 93.92%        |        | 94.42%        |       | 96.24%                   |       |
| WEIGHTED AVG INT. RATE    | 10.31%        |        | 9.93%         |       | 11.16%                   |       |
| MONTHLY P&I               | 628.66        |        | 639.55        |       | 702.03                   |       |
| DWELLING TYPE..SFR        | 433           | 39.98  | 580           | 47.62 | 470                      | 42.34 |
| CONDO                     | 641           | 59.19  | 586           | 48.11 | 427                      | 38.47 |
| DUPLX                     |               |        |               |       | 0                        | .00   |
| PUD                       | 9             | .83    | 7             | .58   | 14                       | 1.26  |
| MOHM                      |               |        | 45            | 3.69  | 199                      | 17.93 |
| TRI-PLEX                  |               |        |               |       | 0                        | .00   |
| FOUR PLEX                 |               |        |               |       | 0                        | .00   |
| NEW/EXISTING....NEW       | 735           | 67.87  | 832           | 68.31 | 601                      | 54.14 |
| EXISTING                  | 348           | 32.13  | 386           | 31.69 | 509                      | 45.86 |
| 1ST TIME HOMEOWNER..YES   | 846           | 78.12  | 976           | 80.13 | 921                      | 82.87 |
| NO                        | 237           | 21.88  | 242           | 19.87 | 189                      | 17.03 |
| INSURANCE TYPE.....FHA    |               |        |               |       | 0                        | .00   |
| VA                        |               |        | 20            | 1.64  | 196                      | 17.66 |
| CONVA                     | 1,083         | 100.00 | 1,198         | 98.36 | 897                      | 80.81 |
| ELIGIBILITY.....STVA      | 77            | 7.11   | 96            | 7.88  | 166                      | 14.95 |
| NON-STVA                  | 1,006         | 92.89  | 1,122         | 92.12 | 927                      | 83.51 |
|                           |               |        |               |       | 0                        | .00   |
| ORIG. PRINCIPAL BALANCE   | 75,590,900.00 |        | 89,130,193.00 |       | 79,900,516.00            |       |
| ORIG. NUMBER OF LOANS     | 1,083         |        | 1,218         |       | 1,110                    |       |

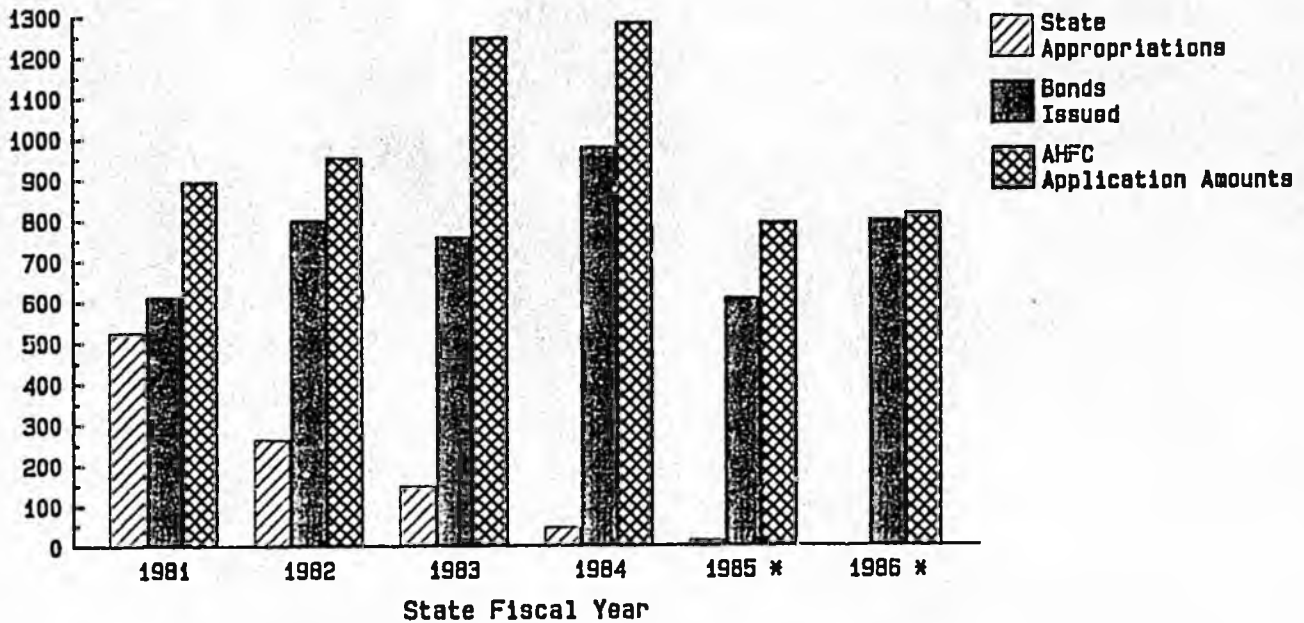
DATE 3/31/85

ALASKA HOUSING FINANCE CORPORATION  
 PLEDGED ACCOUNT MORTGAGES  
 LOAN SUMMARY MORTGAGES PURCHASED

|                           | FY 1983       |        | FY 1984       |        | FY 1985 THRU( 3/31/85) % |       |
|---------------------------|---------------|--------|---------------|--------|--------------------------|-------|
|                           | -----         |        | -----         |        | -----                    |       |
| SALES PRICE               | 106,938       |        | 121,863       |        | 128,949                  |       |
| APPRAISED VALUE           | 109,778       |        | 124,969       |        | 132,550                  |       |
| NOTE AMOUNT               | 96,656        |        | 107,572       |        | 114,523                  |       |
| MONTHLY INCOME            | 3,438         |        | 3,489         |        | 3,922                    |       |
| AGE OF BORROWER           | 31.8          |        | 34.0          |        | 34.6                     |       |
| SIZE OF HOUSEHOLD         | 2.4           |        | 2.5           |        | 2.6                      |       |
| LOAN TO SALES PRICE RATIO | 90.39%        |        | 88.27%        |        | 88.81%                   |       |
| WEIGHTED AVG INT. RATE    | 11.49%        |        | 10.41%        |        | 11.62%                   |       |
| MONTHLY P&I               | 969.97        |        | 983.00        |        | 1,144.86                 |       |
| DWELLING TYPE..SFR        | 165           | 69.33  | 181           | 69.88  | 221                      | 77.00 |
| CONDO                     | 56            | 23.53  | 52            | 20.08  | 36                       | 12.54 |
| DUPLX                     | 3             | 1.26   | 13            | 5.02   | 16                       | 5.57  |
| PUD                       | 14            | 5.88   | 13            | 5.02   | 14                       | 4.88  |
| MOHM                      |               |        |               |        | 0                        | .00   |
| TRI-PLEX                  |               |        |               |        | 0                        | .00   |
| FOUR PLEX                 |               |        |               |        | 0                        | .00   |
| NEW/EXISTING....NEW       | 161           | 67.65  | 147           | 56.76  | 148                      | 51.57 |
| EXISTING                  | 77            | 32.35  | 112           | 43.24  | 139                      | 48.43 |
| 1ST TIME HOMEOWNER..YES   | 98            | 41.18  | 103           | 39.77  | 95                       | 33.10 |
| NO                        | 140           | 58.82  | 156           | 60.23  | 192                      | 66.90 |
| INSURANCE TYPE.....FHA    |               |        |               |        | 0                        | .00   |
| VA                        |               |        |               |        | 1                        | .35   |
| CONVA                     | 238           | 100.00 | 259           | 100.00 | 286                      | 99.65 |
| ELIGIBILITY.....STVA      | 23            | 10.50  | 64            | 24.71  | 81                       | 28.22 |
| NON-STVA                  | 215           | 89.50  | 195           | 75.29  | 206                      | 71.78 |
|                           |               |        |               |        | 0                        | .00   |
| ORIG. PRINCIPAL BALANCE   | 23,004,150.00 |        | 27,861,250.00 |        | 32,868,050.00            |       |
| ORIG. NUMBER OF LOANS     | 238           |        | 259           |        | 287                      |       |

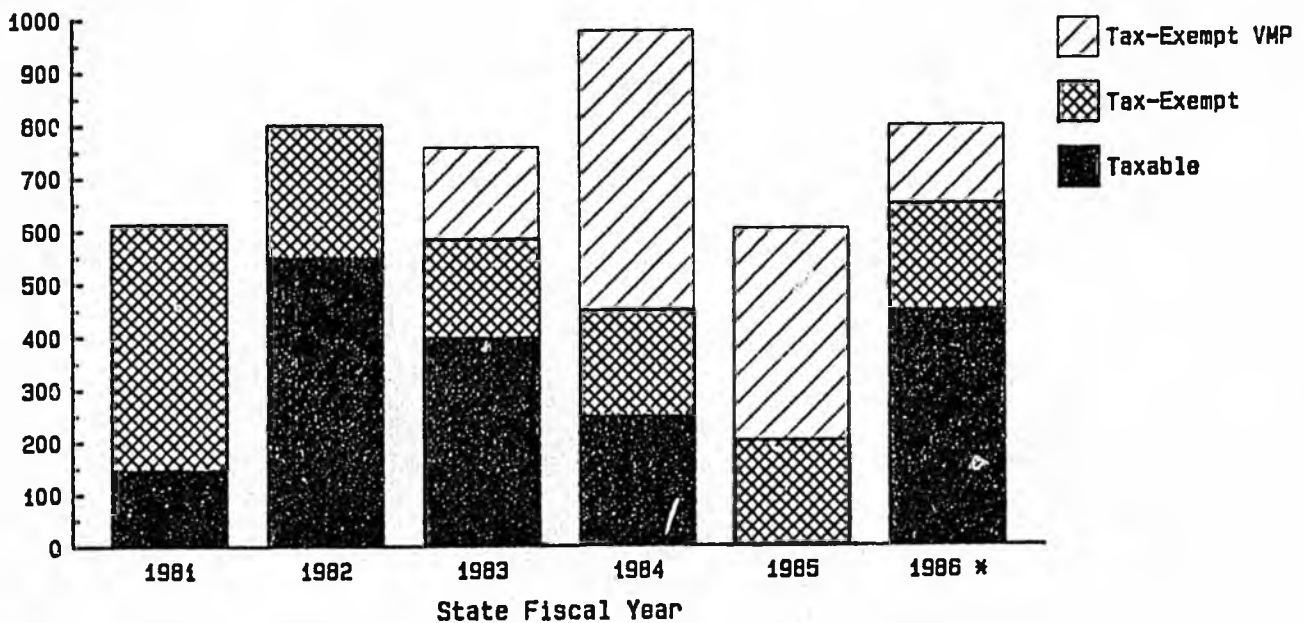
**ALASKA HOUSING FINANCE CORPORATION  
SUBSIDY, BONDING & MORTGAGE LEVELS**

Millions of Dollars



**ALASKA HOUSING FINANCE CORPORATION  
SUMMARY OF BONDS ISSUED BY TYPE**

Millions of Dollars



\* Projected

FY 1984 does not include \$ 175 million of financing arranged under agreements to deliver collateralized notes to FNMA.

FY 1985 does not include \$ 75 million of financing arranged under an agreement to deliver collateralized notes to FNMA.

EXHIBIT A

Senate Finance Committee Hearing

SB 281

April 18, 1985

ALASKA HOUSING FINANCE CORPORATION

Exhibit A - Table of Contents

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| Mortgage Demand and Financings                  | 18          |

NOTE: Projections have been based upon recent mortgage application volume. Bonding and subsidy projections are extremely sensitive to fluctuations in mortgage demand.

ALASKA HOUSING FINANCE CORPORATION

Summary of Exhibit A

| <u>Current Programs</u> | <u>Bonds Issued</u> | <u>Est. Mtg. Demand<br/>All Programs</u> | <u>Related Subsidy<br/>Transfers</u> | <u>Revolving Fund<br/>Liquid Assets<br/>(General Account)<br/>End of FY</u> | <u>Level of Subsidy</u> |
|-------------------------|---------------------|--|--------------------------------------|---|-------------------------|
| FY 86                   | 800                 | 785                                      | 152                                  | 172   | 3%                      |
| FY 87                   | 500                 | 792                                      | 92                                   | 104   | 3%                      |
| FY 88                   | 550                 | 824                                      | 98                                   | 28  | 3%                      |
| FY 89                   | 550                 | 870                                      | 122                                  | 27*   | 3%                      |

| <u>As Modified By<br/>SB 281</u> | <u>Bonds Issued</u> | <u>Est. Mtg. Demand<br/>All Programs</u> | <u>Related Subsidy<br/>Transfers</u> | <u>Revolving Fund<br/>Liquid Assets<br/>(General Account)<br/>End of FY</u> | <u>Level of Subsidy</u> |
|----------------------------------|---------------------|--|--------------------------------------|---|-------------------------|
| FY 86                            | 750                 | 726                                      | 126                                  | 205   | 2-1/2% eff. 10-1-85     |
| FY 87                            | 425                 | 634                                      | 45                                   | 198   | 2% eff. 10-8-86         |
| FY 88                            | 400                 | 527                                      | 14                                   | 231   | 1-1/2% eff. 10-1-87     |
| FY 89                            | 150                 | 480                                      | -0-                                  | 287   | 1% eff. 10-1-88         |

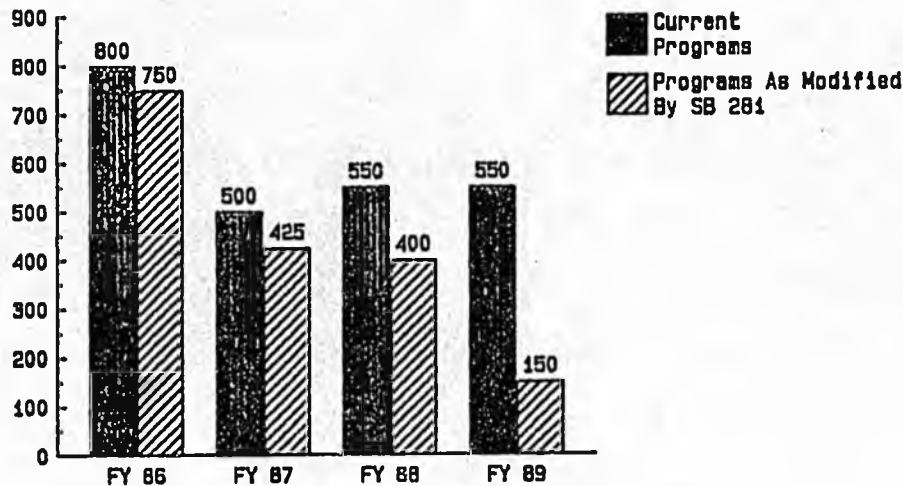
NOTE: Above projections anticipate receipt of \$16 million FY 84 appropriation and retention of all assets of the Alaska Housing Finance Revolving Fund.

\* Anticipates receipt of \$100 million appropriation in FY 89.

**ALASKA HOUSING FINANCE CORPORATION**  
*Analysis of the Projected Effects of SB 281*

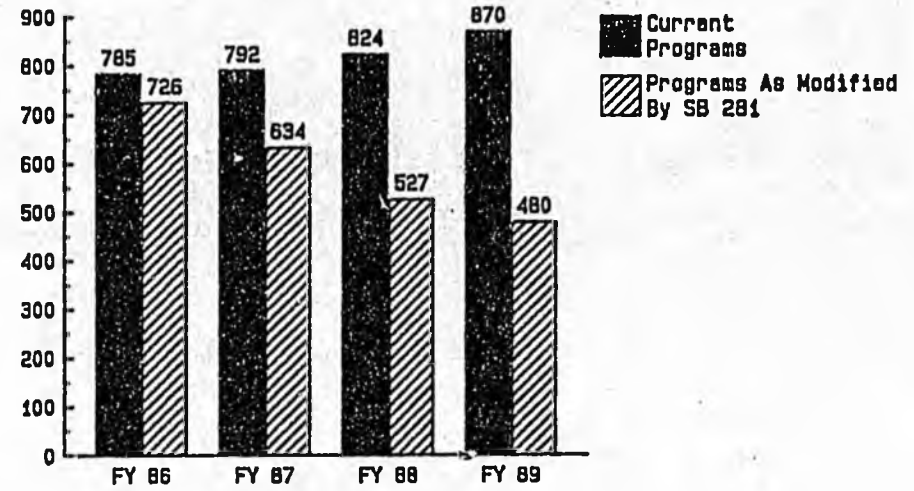
**BONDS ISSUED**

Millions of Dollars



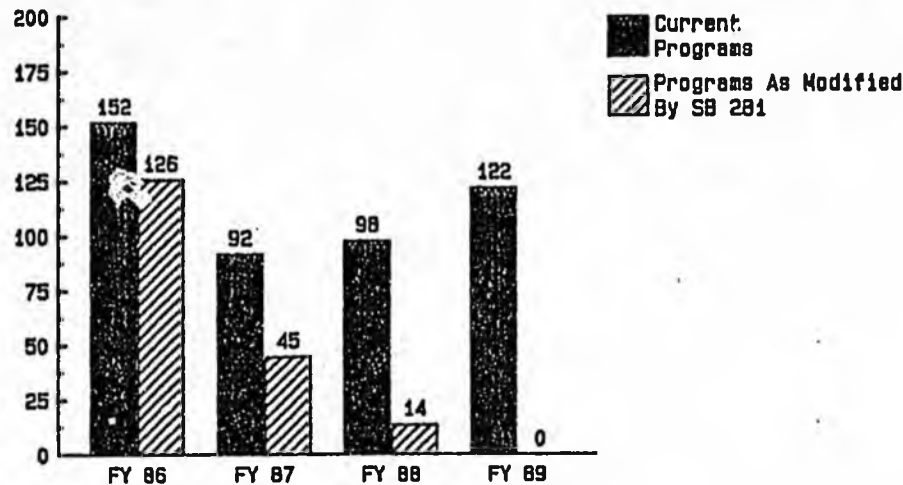
**ESTIMATED MORTGAGE DEMAND ALL PROGRAMS**

Millions of Dollars



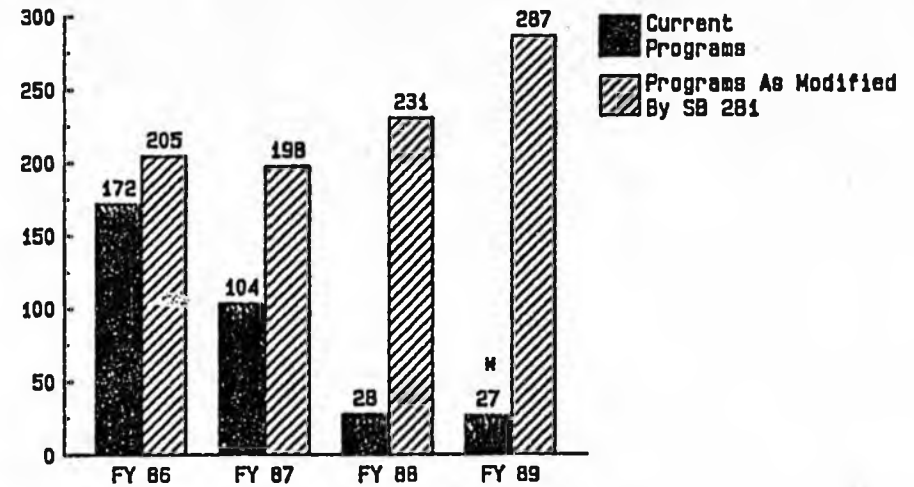
**RELATED SUBSIDY TRANSFERS**

Millions of Dollars



**REVOLVING FUND LIQUID ASSETS GENERAL ACCOUNT END OF FISCAL YEAR**

Millions of Dollars



NOTE: Above projections anticipate receipt of \$16 million FY 84 appropriation and retention of all assets of the Alaska Housing Finance Revolving Fund.

\* Anticipates receipt of \$100 million appropriation in FY 89.

2

SECTION 1

Current Programs

## ALASKA HOUSING FINANCE CORPORATION

Projected Revolving Fund Activity

Fiscal Year 1986  
(In Millions)

|                                      | HOF Account  |             | General Account             |                |              | Total        |
|--------------------------------------|--------------|-------------|-----------------------------|----------------|--------------|--------------|
|                                      | Loans        | Investments | Loans & Net Mtg. Securities |                | Investments  |              |
|                                      |              |             | Conforming                  | Non-Conforming |              |              |
| Balance: July 1, 1985                | \$110        | -0-         | \$202                       | \$142          | \$ 93        | \$547        |
| Prepayments and principal reductions | (8)          | \$ 8        |                             | (13)           | 13           | -0-          |
| Earnings                             |              | 11          |                             |                | 38           | 49           |
| Home ownership assistance subsidies  |              | (7)         |                             |                |              | (7)          |
| IMB earnings released                |              |             |                             |                | 16           | 16           |
| Non-bonded mortgage programs         |              |             |                             |                |              |              |
| Second mortgages                     |              |             |                             | 10             | (10)         | -0-          |
| Mobile home loans                    | 12           | (12)        |                             | 28             | (28)         | -0-          |
| Reduction in loans warehoused        |              |             | (50)                        |                | 50           | -0-          |
| Increase in HOF account              | 30           |             |                             | (30)           |              | -0-          |
| Required subsidy transfers           | —            | —           | —                           | —              | (152)        | (152)        |
| Balance: June 30, 1986               | <u>\$144</u> | <u>-0-</u>  | <u>\$152</u>                | <u>\$137</u>   | <u>\$ 20</u> | <u>\$453</u> |

NOTE: The composition of the General Account will vary between conforming loans and investment securities depending upon the closing out of the recently sold issues. The current composition is felt to be reflective of the anticipated future mix.

ALASKA HOUSING FINANCE CORPORATION  
SPECIAL MORTGAGE LOAN PURCHASE PROGRAM

Summary of Mortgage Demand and Proposed Bond Financing  
Fiscal Year 1986  
(In Millions)

|   | Mortgage<br>Loan Funds<br>Available<br>7-1-85 | Program<br>Repayments and<br>Earnings | Bond<br>Proceeds | Sales<br>Costs | Subsidy      | Subsidy<br>Allocation | Estimated<br>Mortgage Demand<br>FY 86 | Mortgage<br>Loan Funds<br>Available<br>6-30-86 |
|---|---|---------------------------------------|------------------|----------------|--------------|-----------------------|---------------------------------------|--|
| <u>Bonded Programs</u>                                    |   |                                       |                  |                |              |                       |                                       |  |
| Taxable First Mortgage Program                            | \$ 62 <sup>(4)</sup>                          | \$ 60 <sup>(1)</sup>                  | \$150            | \$ (2)         | \$ 42        | \$ 40                 | \$280                                 | \$ 72  |
| First Mortgage Veterans Program<br>State Guaranteed Bonds | 209   | 17 <sup>(2)</sup>                     | 150              | (4)            | 18           | (14)                  | 250                                   | 126  |
| First Time Homebuyers Program<br>Home Mortgage Bonds      | 75  | 5 <sup>(2)</sup>                      | 200              | (6)            | 32           | (26)                  | 205                                   | 75   |
| <u>Internally Funded Programs</u>                         |   |                                       |                  |                |              |                       |                                       |  |
| Second Mortgage Program                                   | -0-   | 10 <sup>(3)</sup>                     |                  |                |              |                       | 10                                    |  |
| Mobile Home Loan Program                                  | -0-   | 40 <sup>(3)</sup>                     |                  |                |              |                       | 40                                    |  |
|   | <u>\$346</u>                                  | <u>\$132</u>                          | 500              | <u>\$(12)</u>  | 92           | <u>-0-</u>            | <u>\$785</u>                          | <u>\$273</u>                                   |
| Deferred FNMA Note Closings                               |   |                                       | <u>300</u>       |                | <u>60</u>    |                       |                                       |  |
|   |   |                                       | <u>\$800</u>     |                | <u>\$152</u> |                       |                                       |  |

(1) Housing and Insured Mortgage Bond prepayments.

(2) Represents amounts made available for recycling subject to federal restrictions as to borrower and residence.

(3) Portion of earnings and prepayments of Revolving Fund including HOF Account.

(4) Includes amounts related to subsequent issuance of \$300 million collateral notes to be sold directly to FNMA.

## ALASKA HOUSING FINANCE CORPORATION

Projected Revolving Fund Activity

Fiscal Year 1987  
(In Millions)

|                                      | HOF Account  |             | General Account             |                |             | Total        |
|--------------------------------------|--------------|-------------|-----------------------------|----------------|-------------|--------------|
|                                      | Loans        | Investments | Loans & Net Mtg. Securities |                | Investments |              |
|                                      |              |             | Conforming                  | Non-Conforming |             |              |
| Balance: July 1, 1986                | \$144        | -0-         | \$152                       | \$137          | \$ 20       | \$453        |
| Prepayments and principal reductions | (10)         | \$ 10       |                             | (10)           | 10          | -0-          |
| Earnings                             |              | 14          |                             |                | 28          | 42           |
| Home ownership assistance subsidies  |              | (9)         |                             |                |             | (9)          |
| IMB earnings released                |              |             |                             |                | 13          | 13           |
| Non-bonded mortgage programs         |              |             |                             |                |             |              |
| Second mortgages                     |              |             |                             | 7              | (7)         | -0-          |
| Mobile home loans                    | 15           | (15)        |                             | 20             | (20)        | -0-          |
| Reduction in loans warehoused        |              |             | (50)                        |                | 50          | -0-          |
| Required subsidy transfers           |              |             |                             |                | (92)        | (92)         |
| Balance: June 30, 1987               | <u>\$149</u> | <u>-0-</u>  | <u>\$102</u>                | <u>\$154</u>   | <u>\$ 2</u> | <u>\$407</u> |

NOTE: The composition of the General Account will vary between conforming loans and investment securities depending upon the closing out of the recently sold issues. The current composition is felt to be reflective of the anticipated future mix.

## ALASKA HOUSING FINANCE CORPORATION

## SPECIAL MORTGAGE LOAN PURCHASE PROGRAM

Summary Based Upon Subsidy Restructure Proposal  
Mortgage Demand and Proposed Bond Financing  
Fiscal Year 1987  
(In Millions)

|   | <u>Mortgage<br/>Loan Funds<br/>Available<br/>7-1-86</u> | <u>Program<br/>Repayments and<br/>Earnings</u> | <u>Bond<br/>Proceeds</u> | <u>Sales<br/>Costs</u> | <u>Subsidy</u> | <u>Subsidy<br/>Allocation</u> | <u>Estimated<br/>Mortgage Demand<br/>FY 87</u> | <u>Mortgage<br/>Loan Funds<br/>Available<br/>6-30-87</u> |
|---|---|--|--------------------------|------------------------|----------------|-------------------------------|--|--|
| <u>Bonded Programs</u>                                    |   |  |                          |                        |                |                               |  |  |
| Taxable First Mortgage Program                            | \$ 72   | \$ 65 <sup>(1)</sup>                           | \$150                    | \$ (3)                 | \$ 42          | \$ 40                         | \$295  | \$ 71  |
| First Mortgage Veterans Program<br>State Guaranteed Bonds | 126   | 20 <sup>(2)</sup>                              | 150                      | (4)                    | 18             | (14)                          | 240  | 56   |
| First Time Homebuyers Program<br>Home Mortgage Bonds      | 75  | 7  | 200                      | (6)                    | 32             | (26)                          | 215  | 67   |
| <u>Internally Funded Programs</u>                         |   |  |                          |                        |                |                               |  |  |
| Second Mortgage Program                                   | -0-   | 7 <sup>(3)</sup>                               |                          |                        |                |                               | 7  |  |
| Mobile Home Loan Program                                  | -0-   | 35 <sup>(3)</sup>                              |                          |                        |                |                               | 35   |  |
|   | <u>\$273</u>  | <u>\$134</u>                                   | <u>\$500</u>             | <u>\$(13)</u>          | <u>\$ 92</u>   | <u>-0-</u>                    | <u>\$792</u>                                   | <u>\$194</u>   |

(1) Housing and Insured Mortgage Bond prepayments.

(2) Represents amounts made available for recycling subject to federal restrictions as to borrower and residence.

(3) Portion of earnings and prepayments of Revolving Fund including HOF Account.

## ALASKA HOUSING FINANCE CORPORATION

Projected Revolving Fund Activity

Fiscal Year 1988  
(In Millions)

|                                      | <u>HOF Account</u> |                    | <u>General Account</u>                 |                       |                    | <u>Total</u> |
|--------------------------------------|--------------------|--------------------|--|-----------------------|--------------------|--------------|
|                                      | <u>Loans</u>       | <u>Investments</u> | <u>Loans &amp; Net Mtg. Securities</u> |                       | <u>Investments</u> |              |
|                                      |                    |                    | <u>Conforming</u>                      | <u>Non-Conforming</u> |                    |              |
| Balance: July 1, 1987                | \$149              | -0-                | \$102                                  | \$154                 | \$ 2               | \$407        |
| Prepayments and principal reductions | (12)               | \$ 12              |  | (13)                  | 13                 | -0-          |
| Earnings                             |                    | 14                 |  |                       | 20                 | 34           |
| Home ownership assistance subsidies  |                    | (10)               |  |                       |                    | (10)         |
| IMB earnings released                |                    |                    |  |                       | 13                 | 13           |
| Non-bonded mortgage programs         |                    |                    |  |                       |                    |              |
| Second mortgages                     |                    |                    |  | 5                     | (5)                | -0-          |
| Mobile home loans                    | 16                 | (16)               |  | 19                    | (19)               | -0-          |
| Reduction in loans warehoused        |                    |                    | (75)                                   |                       | 75                 | -0-          |
| Required subsidy transfers           | —                  | —                  | —                                      | —                     | (98)               | (98)         |
| Balance: June 30, 1988               | <u>\$153</u>       | <u>-0-</u>         | <u>\$ 27</u>                           | <u>\$165</u>          | <u>\$ 1</u>        | <u>\$346</u> |

NOTE: The composition of the General Account will vary between conforming loans and investment securities depending upon the closing out of the recently sold issues. The current composition is felt to be reflective of the anticipated future mix.

ALASKA HOUSING FINANCE CORPORATION  
SPECIAL MORTGAGE LOAN PURCHASE PROGRAM

Summary of Mortgage Demand and Proposed Bond Financing  
Fiscal Year 1988  
(In Millions)

|   | <u>Mortgage<br/>Loan Funds<br/>Available<br/>7-1-87</u> | <u>Program<br/>Repayments and<br/>Earnings</u> | <u>Bond<br/>Proceeds</u> | <u>Sales<br/>Costs</u> | <u>Subsidy</u> | <u>Subsidy<br/>Allocation</u> | <u>Estimated<br/>Mortgage Demand<br/>FY 88</u> | <u>Mortgage<br/>Loan Funds<br/>Available<br/>6-30-88</u> |
|---|---|--|--------------------------|------------------------|----------------|-------------------------------|--|--|
| <u>Bonded Programs</u>                                    |   |  |                          |                        |                |                               |  |  |
| Taxable First Mortgage Program                            | \$ 71   | \$ 65 <sup>(1)</sup>                           | \$150                    | \$ (3)                 | \$ 42          | \$ 44                         | \$319  | \$ 50  |
| First Mortgage Veterans Program<br>State Guaranteed Bonds | 56  | 27 <sup>(2)</sup>                              | 200                      | (6)                    | 24             | (18)                          | 230  | 53   |
| First Time Homebuyers Program<br>Home Mortgage Bonds      | 67  | 11 <sup>(2)</sup>                              | 200                      | (6)                    | 32             | (26)                          | 235  | 43   |
| <u>Internally Funded Programs</u>                         |   |  |                          |                        |                |                               |  |  |
| Second Mortgage Program                                   |   | 5 <sup>(3)</sup>                               |                          |                        |                |                               | 5  |  |
| Mobile Home Loan Program                                  |   | 35 <sup>(3)</sup>                              |                          |                        |                |                               | 35   |  |
|   | <u>\$194</u>  | <u>\$143</u>                                   | <u>\$550</u>             | <u>\$(15)</u>          | <u>\$ 98</u>   | <u>-0-</u>                    | <u>\$824</u>                                   | <u>\$146</u>   |

(1) Housing and Insured Mortgage Bond prepayments.

(2) Represents amounts made available for recycling subject to federal restrictions as to borrower and residence.

(3) Portion of earnings and prepayments of Revolving Fund including HOF Account.

## ALASKA HOUSING FINANCE CORPORATION

Projected Revolving Fund Activity

Fiscal Year 1989  
(In Millions)

|                                      | HOF Account  |             | General Account             |                |             | Total        |
|--------------------------------------|--------------|-------------|-----------------------------|----------------|-------------|--------------|
|                                      | Loans        | Investments | Loans & Net Mtg. Securities |                | Investments |              |
|                                      |              |             | Conforming                  | Non-Conforming |             |              |
| Balance: July 1, 1988                | \$153        | -0-         | \$ 27                       | \$165          | \$ 1        | \$346        |
| Prepayments and principal reductions | (12)         | \$ 12       |                             | (15)           | 15          | -0-          |
| Earnings                             |              | 14          |                             |                | 18          | 32           |
| Home ownership assistance subsidies  |              | (11)        |                             |                |             | (11)         |
| IMB earnings released                |              |             |                             |                | 13          | 13           |
| Non-bonded mortgage programs         |              |             |                             |                |             |              |
| Second mortgages                     |              |             |                             | 5              | (5)         | -0-          |
| Mobile home loans                    | 15           | (15)        |                             | 20             | (20)        | -0-          |
| Reduction in loans warehoused        |              |             |                             |                |             | -0-          |
| FY 89 legislative appropriation      |              |             |                             |                | 100         | 100          |
| Required subsidy transfers           | —            | —           | —                           | —              | (122)       | (122)        |
| Balance: June 30, 1989               | <u>\$156</u> | <u>-0-</u>  | <u>\$ 27</u>                | <u>\$175</u>   | <u>-0-</u>  | <u>\$358</u> |

NOTE: The composition of the General Account will vary between conforming loans and investment securities depending upon the closing out of the recently sold issues. The current composition is felt to be reflective of the anticipated future mix.

ALASKA HOUSING FINANCE CORPORATION  
SPECIAL MORTGAGE LOAN PURCHASE PROGRAM

Summary of Mortgage Demand and Proposed Bond Financing  
Fiscal Year 1989  
(In Millions)

|   | <u>Mortgage<br/>Loan Funds<br/>Available<br/>7-1-88</u> | <u>Program<br/>Repayments and<br/>Earnings</u> | <u>Bond<br/>Proceeds</u> | <u>Sales<br/>Costs</u> | <u>Subsidy</u> | <u>Subsidy<br/>Allocation</u> | <u>Estimated<br/>Mortgage Demand<br/>FY 89</u> | <u>Mortgage<br/>Loan Funds<br/>Available<br/>6-30-89</u> |
|---|---|--|--------------------------|------------------------|----------------|-------------------------------|--|--|
| <u>Bonded Programs</u>                                    |   |  |                          |                        |                |                               |  |  |
| Taxable First Mortgage Program                            | \$ 50   | \$ 65 <sup>(1)</sup>                           | \$350                    | \$ (6)                 | \$ 98          | \$ 18                         | \$544  | \$ 31  |
| First Mortgage Veterans Program<br>State Guaranteed Bonds | 53  | 35 <sup>(2)</sup>                              | 200                      | (6)                    | 24             | (18)                          | 220  | 68   |
| First Time Homebuyers Program<br>Home Mortgage Bonds      | 43  | 23 <sup>(2)</sup>                              |                          |                        |                |                               | 66   | -0-  |
| <u>Internally Funded Programs</u>                         |   |  |                          |                        |                |                               |  |  |
| Second Mortgage Program                                   | -0-   | 5 <sup>(3)</sup>                               |                          |                        |                |                               | 5  |  |
| Mobile Home Loan Program                                  | -0-   | 35 <sup>(3)</sup>                              |                          |                        |                |                               | 35   |  |
|   | <u>\$146</u>  | <u>\$163</u>                                   | <u>\$550</u>             | <u>\$(12)</u>          | <u>\$122</u>   | <u>-0-</u>                    | <u>\$870</u>                                   | <u>\$ 99</u>   |

(1) Housing and Insured Mortgage Bond prepayments.

(2) Represents amounts made available for recycling subject to federal restrictions as to borrower and residence.

(3) Portion of earnings and prepayments of Revolving Fund including HOF Account.

SECTION 2

As Modified by SB 281

## ALASKA HOUSING FINANCE CORPORATION

Projected Revolving Fund Activity

Fiscal Year 1986  
(In Millions)

|                                      | HOF Account  |             | General Account             |                |             | Total        |
|--------------------------------------|--------------|-------------|-----------------------------|----------------|-------------|--------------|
|                                      | Loans        | Investments | Loans & Net Mtg. Securities |                | Investments |              |
|                                      |              |             | Conforming                  | Non-Conforming |             |              |
| Balance: July 1, 1985                | \$110        | -0-         | \$202                       | \$142          | \$ 93       | \$547        |
| Prepayments and principal reductions | (8)          | \$ 8        |                             | (13)           | 13          | -0-          |
| Earnings                             |              | 11          |                             |                | 41          | 52           |
| Home ownership assistance subsidies  |              | (7)         |                             |                |             | (7)          |
| IMB earnings released                |              |             |                             |                | 16          | 16           |
| Non-bonded mortgage programs         |              |             |                             |                |             |              |
| Second mortgages                     |              |             |                             | 9              | (9)         | -0-          |
| Mobile home loans                    | 12           | (12)        |                             | 25             | (25)        | -0-          |
| Reduction in loans warehoused        |              |             |                             |                |             | -0-          |
| Increase in HOF account              | 30           |             |                             | (30)           |             | -0-          |
| Required subsidy transfers           | —            | —           | —                           | —              | (126)       | (126)        |
| Balance: June 30, 1986               | <u>\$144</u> | <u>-0-</u>  | <u>\$202</u>                | <u>\$133</u>   | <u>\$ 3</u> | <u>\$482</u> |

NOTE: The composition of the General Account will vary between conforming loans and investment securities depending upon the closing out of the recently sold issues. The current composition is felt to be reflective of the anticipated future mix.

ALASKA HOUSING FINANCE CORPORATION  
SPECIAL MORTGAGE LOAN PURCHASE PROGRAM

Summary of Mortgage Demand and Proposed Bond Financing  
Fiscal Year 1986  
(In Millions)

|   | <u>Mortgage<br/>Loan Funds<br/>Available<br/>7-1-85</u> | <u>Program<br/>Repayments and<br/>Earnings</u> | <u>Bond<br/>Proceeds</u> | <u>Sales<br/>Costs</u> | <u>Subsidy</u> | <u>Subsidy<br/>Allocation</u> | <u>Estimated<br/>Mortgage Demand<br/>FY 86</u> | <u>Mortgage<br/>Loan Funds<br/>Available<br/>6-30-86</u> |
|---|---|--|--------------------------|------------------------|----------------|-------------------------------|--|--|
| <u>Bonded Programs</u>                                    |   |  |                          |                        |                |                               |  |  |
| Taxable First Mortgage Program                            | \$ 62 <sup>(1)</sup>                                    | \$ 60 <sup>(1)</sup>                           | \$125                    | \$ (2)                 | \$ 30          | \$ 27                         | \$259  | \$ 43  |
| First Mortgage Veterans Program<br>State Guaranteed Bonds | 209   | 17 <sup>(2)</sup>                              | 125                      | (3)                    | 12             | (9)                           | 231  | 120  |
| First Time Homebuyers Program<br>Home Mortgage Bonds      | 75  | 5 <sup>(2)</sup>                               | 200                      | (6)                    | 24             | (18)                          | 190  | 90   |
| <u>Internally Funded Programs</u>                         |   |  |                          |                        |                |                               |  |  |
| Second Mortgage Program                                   | -0-   | 9 <sup>(3)</sup>                               |                          |                        |                |                               | 9  |  |
| Mobile Home Loan Program                                  | -0-   | 37 <sup>(3)</sup>                              |                          |                        |                |                               | 37   |  |
|   | <u>\$346</u>  | <u>\$128</u>                                   | 450                      | <u>\$(11)</u>          | 66             | <u>-0-</u>                    | <u>\$726</u>                                   | <u>\$253</u>   |
| Deferred FNMA Note Closings                               |   |  | <u>300</u>               |                        | <u>60</u>      |                               |  |  |
|   |   |  | <u>\$750</u>             |                        | <u>\$126</u>   |                               |  |  |

- (1) Housing and Insured Mortgage Bond prepayments.
- (2) Represents amounts made available for recycling subject to federal restrictions as to borrower and residence.
- (3) Portion of earnings and prepayments of Revolving Fund including HOF Account.
- (4) Includes amounts related to subsequent issuance of \$300 million collateral notes to be sold directly to FNMA.

ALASKA HOUSING FINANCE CORPORATION

Projected Revolving Fund Activity

Fiscal Year 1987  
(In Millions)

|                                      | HCF Account  |             | General Account             |                |              | Total        |
|--------------------------------------|--------------|-------------|-----------------------------|----------------|--------------|--------------|
|                                      | Loans        | Investments | Loans & Net Mtg. Securities |                | Investments  |              |
|                                      |              |             | Conforming                  | Non-Conforming |              |              |
| Balance: July 1, 1986                | \$144        | -0-         | \$202                       | \$133          | \$ 3         | \$482        |
| Prepayments and principal reductions | (10)         | \$ 10       |                             | (10)           | 10           | -0-          |
| Earnings                             |              | 14          |                             |                | 33           | 47           |
| Home ownership assistance subsidies  |              | (8)         |                             |                |              | (8)          |
| IMB earnings released                |              |             |                             |                | 13           | 13           |
| Non-bonded mortgage programs         |              |             |                             |                |              |              |
| Second mortgages                     |              |             |                             | 6              | (6)          | -0-          |
| Mobile home loans                    | 16           | (16)        |                             | 12             | (12)         | -0-          |
| Reduction in loans warehoused        |              |             | (25)                        |                | 25           | -0-          |
| Required subsidy transfers           | —            | —           | —                           | —              | (45)         | (45)         |
| Balance: June 30, 1987               | <u>\$150</u> | <u>-0-</u>  | <u>\$177</u>                | <u>\$141</u>   | <u>\$ 21</u> | <u>\$489</u> |

NOTE: The composition of the General Account will vary between conforming loans and investment securities depending upon the closing out of the recently sold issues. The current composition is felt to be reflective of the anticipated future mix.

## ALASKA HOUSING FINANCE CORPORATION

## SPECIAL MORTGAGE LOAN PURCHASE PROGRAM

Summary Based Upon Subsidy Restructure Proposal  
Mortgage Demand and Proposed Bond FinancingFiscal Year 1987

(In Millions)

|   | <u>Mortgage<br/>Loan Funds<br/>Available<br/>7-1-86</u> | <u>Program<br/>Repayments and<br/>Earnings</u> | <u>Bond<br/>Proceeds</u> | <u>Sales<br/>Costs</u> | <u>Subsidy</u> | <u>Subsidy<br/>Allocation</u> | <u>Estimated<br/>Mortgage Demand<br/>FY 87</u> | <u>Mortgage<br/>Loan Funds<br/>Available<br/>6-30-87</u> |
|---|---|--|--------------------------|------------------------|----------------|-------------------------------|--|--|
| <u>Bonded Programs</u>                                    |   |  |                          |                        |                |                               |  |  |
| Taxable First Mortgage Program                            | \$ 43   | \$ 65 <sup>(1)</sup>                           | \$125                    | \$ (3)                 | \$ 25          | \$ 12                         | \$236  | \$ 31  |
| First Mortgage Veterans Program<br>State Guaranteed Bonds | 120   | 20 <sup>(2)</sup>                              | 100                      | (2)                    | 4              | (2)                           | 192  | 48   |
| First Time Homebuyers Program<br>Home Mortgage Bonds      | 90  | 7  | 200                      | (6)                    | 16             | (10)                          | 172  | 125  |
| <u>Internally Funded Programs</u>                         |   |  |                          |                        |                |                               |  |  |
| Second Mortgage Program                                   | -0-   | 6 <sup>(3)</sup>                               |                          |                        |                |                               | 6  |  |
| Mobile Home Loan Program                                  | -0-   | 28 <sup>(3)</sup>                              |                          |                        |                |                               | 28   |  |
|   | <u>\$253</u>  | <u>\$126</u>                                   | <u>\$425</u>             | <u>\$(11)</u>          | <u>\$ 45</u>   | <u>-0-</u>                    | <u>\$634</u>                                   | <u>\$204</u>   |

(1) Housing and Insured Mortgage Bond prepayments.

(2) Represents amounts made available for recycling subject to federal restrictions as to borrower and residence.

(3) Portion of earnings and prepayments of Revolving Fund including HOF Account.

## ALASKA HOUSING FINANCE CORPORATION

Projected Revolving Fund Activity

Fiscal Year 1988  
(In Millions)

|                                      | HOF Account  |             | General Account             |                |              | Total        |
|--------------------------------------|--------------|-------------|-----------------------------|----------------|--------------|--------------|
|                                      | Loans        | Investments | Loans & Net Mtg. Securities |                | Investments  |              |
|                                      |              |             | Conforming                  | Non-Conforming |              |              |
| Balance: July 1, 1987                | \$150        | -0-         | \$177                       | \$141          | \$ 21        | \$489        |
| Prepayments and principal reductions | (12)         | \$ 12       |                             | (13)           | 13           | -0-          |
| Earnings                             |              | 14          |                             |                | 35           | 49           |
| Home ownership assistance subsidies  |              | (7)         |                             |                |              | (7)          |
| IMB earnings released                |              |             |                             |                | 13           | 13           |
| Non-bonded mortgage programs         |              |             |                             |                |              |              |
| Second mortgages                     |              |             |                             | 3              | (3)          | -0-          |
| Mobile home loans                    | 19           | (19)        |                             | 11             | (11)         | -0-          |
| Reduction in loans warehoused        |              |             | (35)                        |                | 35           | -0-          |
| Required subsidy transfers           | —            | —           | —                           | —              | (14)         | (14)         |
| Balance: June 30, 1988               | <u>\$157</u> | <u>-0-</u>  | <u>\$142</u>                | <u>\$142</u>   | <u>\$ 89</u> | <u>\$530</u> |

NOTE: The composition of the General Account will vary between conforming loans and investment securities depending upon the closing out of the recently sold issues. The current composition is felt to be reflective of the anticipated future mix.

ALASKA HOUSING FINANCE CORPORATION  
SPECIAL MORTGAGE LOAN PURCHASE PROGRAM

Summary of Mortgage Demand and Proposed Bond Financing  
Fiscal Year 1988  
(In Millions)

|   | <u>Mortgage<br/>Loan Funds<br/>Available<br/>7-1-87</u> | <u>Program<br/>Repayments and<br/>Earnings</u> | <u>Bond<br/>Proceeds</u> | <u>Sales<br/>Costs</u> | <u>Subsidy</u> | <u>Subsidy<br/>Allocation</u> | <u>Estimated<br/>Mortgage Demand<br/>FY 88</u> | <u>Mortgage<br/>Loan Funds<br/>Available<br/>6-30-88</u> |
|---|---|--|--------------------------|------------------------|----------------|-------------------------------|--|--|
| <u>Bonded Programs</u>                                    |   |  |                          |                        |                |                               |  |  |
| Taxable First Mortgage Program                            | \$ 31   | \$ 65 <sup>(1)</sup>                           | \$ 50                    | \$ (1)                 | \$ 8           |                               | \$119  | \$ 34  |
| First Mortgage Veterans Program<br>State Guaranteed Bonds | 48  | 27 <sup>(2)</sup>                              | 150                      | (4)                    |                |                               | 185  | 36   |
| First Time Homebuyers Program<br>Home Mortgage Bonds      | 125   | 11 <sup>(2)</sup>                              | 200                      | (6)                    | 6              |                               | 190  | 146  |
| <u>Internally Funded Programs</u>                         |   |  |                          |                        |                |                               |  |  |
| Second Mortgage Program                                   |   | 3 <sup>(3)</sup>                               |                          |                        |                |                               | 3  |  |
| Mobile Home Loan Program                                  |   | 30 <sup>(3)</sup>                              |                          |                        |                |                               | 30   |  |
|   | <u>\$204</u>  | <u>\$136</u>                                   | <u>\$400</u>             | <u>\$(11)</u>          | <u>\$ 14</u>   | <u>-0-</u>                    | <u>\$527</u>                                   | <u>\$216</u>   |

(1) Housing and Insured Mortgage Bond prepayments.

(2) Represents amounts made available for recycling subject to federal restrictions as to borrower and residence.

(3) Portion of earnings and prepayments of Revolving Fund including HOF Account.

## ALASKA HOUSING FINANCE CORPORATION

Projected Revolving Fund Activity

Fiscal Year 1989  
(In Millions)

|   | HOF Account  |             | General Account           |                                   |              | Total        |
|---|--------------|-------------|---------------------------|-----------------------------------|--------------|--------------|
|   | Loans        | Investments | Loans & Net<br>Conforming | Mtg. Securities<br>Non-Conforming | Investments  |              |
| Balance: July 1, 1988                   | \$157        | -0-         | \$142                     | \$142                             | \$ 89        | \$530        |
| Prepayments and principal<br>reductions | (12)         | \$ 12       |                           | (15)                              | 15           | -0-          |
| Earnings                                |              | 15          |                           |                                   | 40           | 55           |
| Home ownership assistance<br>subsidies  |              | (7)         |                           |                                   |              | (7)          |
| IMB earnings released                   |              |             |                           |                                   | 13           | 13           |
| Non-bonded mortgage programs            |              |             |                           |                                   |              |              |
| Second mortgages                        |              |             |                           | 2                                 | (2)          | -0-          |
| Mobile home loans                       | 20           | (20)        |                           | 10                                | (10)         | -0-          |
| Reduction in loans warehoused           |              |             | (92)                      |                                   | 92           | -0-          |
| Transfer of HOF Account excess          | (35)         |             |                           | 35                                |              | -0-          |
| Required subsidy transfers              | —            | —           | —                         | —                                 | -0-          | -0-          |
| Balance: June 30, 1989                  | <u>\$130</u> | <u>-0-</u>  | <u>\$ 50</u>              | <u>\$174</u>                      | <u>\$237</u> | <u>\$591</u> |

NOTE: The composition of the General Account will vary between conforming loans and investment securities depending upon the closing out of the recently sold issues. The current composition is felt to be reflective of the anticipated future mix.

ALASKA HOUSING FINANCE CORPORATION

SPECIAL MORTGAGE LOAN PURCHASE PROGRAM

Summary of Mortgage Demand and Proposed Bond Financing  
Fiscal Year 1989  
(In Millions)

|   | <u>Mortgage<br/>Loan Funds<br/>Available<br/>7-1-88</u> | <u>Program<br/>Repayments and<br/>Earnings</u> | <u>Bond<br/>Proceeds</u> | <u>Sales<br/>Costs</u> | <u>Subsidy</u> | <u>Subsidy<br/>Allocation</u> | <u>Estimated<br/>Mortgage Demand<br/>FY 89</u> | <u>Mortgage<br/>Loan Funds<br/>Available<br/>6-30-89</u> |
|---|---|--|--------------------------|------------------------|----------------|-------------------------------|--|--|
| <u>Bonded Programs</u>                                    |   |  |                          |                        |                |                               |  |  |
| Taxable First Mortgage Program                            | \$ 34   | \$ 65 <sup>(1)</sup>                           |                          |                        |                |                               | \$ 99  | -0-  |
| First Mortgage Veterans Program<br>State Guaranteed Bonds | 36  | 35 <sup>(2)</sup>                              | \$150                    | \$ (4)                 |                |                               | 180  | \$ 37  |
| First Time Homebuyers Program<br>Home Mortgage Bonds      | 146   | 23 <sup>(2)</sup>                              |                          |                        |                |                               | 169  | -0-  |
| <u>Internally Funded Programs</u>                         |   |  |                          |                        |                |                               |  |  |
| Second Mortgage Program                                   | -0-   | 2 <sup>(3)</sup>                               |                          |                        |                |                               | 2  |  |
| Mobile Home Loan Program                                  | -0-   | 30 <sup>(3)</sup>                              |                          |                        |                |                               | 30   |  |
|   | <u>\$216</u>  | <u>\$155</u>                                   | <u>\$150</u>             | <u>\$ (4)</u>          | <u>-0-</u>     | <u>-0-</u>                    | <u>\$480</u>                                   | <u>\$ 37</u>   |

(1) Housing and Insured Mortgage Bond prepayments.

(2) Represents amounts made available for recycling subject to federal restrictions as to borrower and residence.

(3) Portion of earnings and prepayments of Revolving Fund including HOF Account.

## FACT SHEET

### 1. History:

The state's loan program is 35 years old. The first loan fund was set up before Statehood: in 1953. It was the Agriculture Revolving Loan Fund (Ch 122 SLA 53) to "promote the more rapid development of agriculture as an industry...by means of long-term, low-interest loans."

### 2. Today:

There are 33 loan programs.  
\$5.6 billion outstanding. (Of that \$5.6 billion, 4.4 billion is in Housing).

Of the 33 loan programs:

21 are active ("active": presently making or servicing loans)  
12 are inactive ("inactive": no money appropriated this quarter)

List of the active and inactive loan programs attached.

### 3. Money outstanding:

\$5.6 billion outstanding ("outstanding": still owed to the agency plus unpaid principal)

Breakdown of this \$5.6 billion:

|                       |                         |
|-----------------------|-------------------------|
| Economic development: | \$725.7 million (12.8%) |
| Education             | 256.4 million (4.5%)    |
| Energy                | 50.0 million (.9%)      |
| Housing               | 4.4 Billion (78.4%)     |
| Medical/Child Care    | 16.2 million            |
| Municipal Assistance: | 170.3 million           |

### 4. State appropriations:

17 of the 21 active loan programs are financed through direct state expenditures.

4 are bond financed (ANFC, AIDA, Medical Facility Auth, Municipal Bond Bank Auth.)

Breakdown of LOAN DOLLARS approved in 3rd Quarter 85:

83.4% of dollars approved (\$183.6 m) came from bonds.  
16.6% of dollars approved (\$36.6 m) came from state approp.

Breakdown of NUMBER OF LOANS approved in 3rd Quarter 85:

70.5% of loans approved (3,350) were state appropriations.  
29.5% of loans approved (1,405) were bonds.

5. The kinds of loans approved in 3rd Quarter 85:

The largest NUMBER OF LOANS approved was to Education but the MOST LOAN DOLLARS were approved for Housing (68%):

By NUMBER OF LOANS approved:

|                    |                              |
|--------------------|------------------------------|
| Education:         | 3,005 loans approved (63.2%) |
| Housing:           | 1,484 loans approved (31.2%) |
| Economic Dev:      | 208 loans approved (4.4%)    |
| Energy:            | 51 loans approved (1.1%)     |
| Muni Assist & misc | 7 loans approved (0.1%)      |

By LOAN DOLLARS approved:

|                    |                         |
|--------------------|-------------------------|
| Housing:           | \$149.7 million (68.0%) |
| Economic Dev:      | \$ 55.5 million (25.2%) |
| Muni Assist & misc | \$ 10.1 million (4.6%)  |
| Education:         | \$ 4.6 million (2.1%)   |
| Energy:            | \$ .3 million (.1%)     |

6. Evaluation of loan programs.

Although a Jan. 1982 study prepared for the Legislative Budget and Audit Aommittee (by Northern Development Assoc of Fbks) recommended continuing evaluation of how loan programs contribute to the State or the citizens, "no one does this," according to House Research Agency (Jay Livey).

LB&A Study recommendations attached.

Agencies are required by law to file annual loan reports. Copy of statute attached.

7. A Jan. 1983 study for the Governor (by the Loans Task Force) included several recommendations:

- a. Centralize loan administration under Commerce and Economic Development and consolidate accounting and collection.

In 1983 there were 30 loan programs in 6 different departments, administered by 17 divisions or agencies.

(Since 1983, two more loan programs have been added -- grain reserve and teacher.)

- b. State should avoid direct lending programs.  
State should not compete with private financial institutions.

(Except where "reasonable private financing" is not available.)

- c. State lending has driven private financial institutions out of the Alaskan market.

State should shift some of the default risk to private institutions. Task Force made two suggestions (pp. 31 and 32): guarantee funds and use CD's through private institutions.

- d. State should not subsidize loan interest rates except for explicit social or economic objectives. (Task Force says there is no policy concerning subsidized interest rates in loan programs.)

Any subsidies should be reconsidered once every 2 years and rescinded or reaffirmed.

Cost of any subsidy should be reported annually.

- e. Tie loan rates to US Treasury rate.
- f. Only qualified persons should get agricultural land from DNR. Agriculture loan program should be for development only. Should encourage Agriculture loan program toward private sector.
- g. Increase loan interest rate and adopt financial need criteria in Scholarship Loan Fund.
- h. Annual audits of all loan programs.
- i. Public officials should not attempt to influence decisions on loan applications or collections.

**FREE**

4/18/85  
Halford

## Federation's Role in our Enterprise Economy



April 13, 1985

Senator Rick Halford  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senator Halford,

We are pleased to write this letter in support of SB 281.

We understand that the bill will raise interest rates on all State loan programs by one-half percent per year until they reach the going market rate for commercial loans.

The AWC FREE Committee's Tax and Economic Development subcommittee has completed a two year study of the State loan programs and recently published the enclosed position paper.

Passage of SB 281 would achieve three of our recommendations:

- Strive for reduction and eventual elimination of State dollar contributions to loan programs,
- Refine present programs to make them self supporting and revolving,
- Eliminate interest subsidies.

Indirectly, the bill would affect our other recommendations.

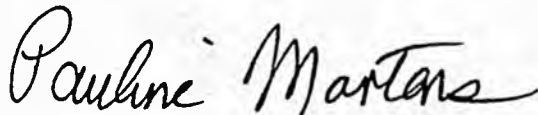
One of the positive aspects of SB 281 is the bill's equitable treatment of all State loan programs. This feature recognizes the decline in State revenues and the effect of less available funding for all loan programs. We realize that loan recipients are not equally divided among the programs and that the AHFC program services the largest share of recipients.

The AHFC program should be able to continue without subsidy. AHFC has been structured to become self supporting and has received diminishing appropriations for interest subsidies. Elimination of subsidies in a gradual manner should improve AHFC's ability to operate independently. As AHFC's interest rates approach market rates, demand will increase for other housing loan programs. Increased competition in the housing loan market should result in lower market interest rates.

The subcommittee has produced a twenty minute video entitled "Decisions for the 90's" reviewing the loan programs of Alaska and presenting the FREE Committee's recommendations. We are enclosing it for presentation as testimony at hearings concerning SB 281.

If we can be of further assistance, please contact Sarah Schierhorn (279-5305) or Pam Lambe (349-6531) co-chairmen of the committee responsible for the position paper.

Sincerely,



Pauline Martens, Chairman  
AWC FREE Committee

*Alaska* HOUSING  FINANCE CORPORATION

April 16, 1985

The Honorable Jan Faiks  
Alaska State Senate  
Pouch V  
Juneau, AK 99811

Dear Senator Faiks:

Enclosed please find a booklet containing lending and financing activity projections along with an analysis of Revolving Fund activity and balance estimates. The first section of the booklet contains projections based upon existing programs, while the second section presents the same information adjusted to reflect the changes expected should legislation in the form of that contained in SB 281 be implemented.

The projections are extremely sensitive to fluctuations in mortgage demand. Fairly low levels of mortgage activity are reflected in the analysis. Recent activity which has been at record lows provided the base for the estimates.

Total mortgage demand for FY 89 is projected to be reduced from \$870 to \$480 million under the provisions of SB 281. Subsequent to FY 89, the only program which would continue would be the tax-exempt financed Veterans Mortgage Program with annual activity of \$175 to \$225 million per year. These bonds would be issued on a non-subsidized basis.

The effect of SB 281 on Revolving Fund balances is dramatic. At the end of FY 89 without changing the program, \$27 million in liquid assets would be in the General Account of the Revolving Fund after receiving an additional appropriation of \$100 million. This compares to a projected liquid asset balance without any future appropriations of \$287 million if SB 281 is effected, representing a net difference of \$360 million.

You have asked whether the Corporation would need future legislative appropriations were SB 281 to become law and \$50 million reappropriated to the State General Fund. As demonstrated in the summary of Exhibit A, projected liquid assets of the Revolving Fund are substantially in excess of \$50 million. Accordingly, such a reappropriation in connection with a phasing out of the Corporation's loan programs is not expected to result in future appropriation requests.

If I can be of further assistance in any way, please let me know.

Sincerely,

*Mark K. Cameron*

Mark K. Cameron  
Acting Executive Director

MKC:lmg

Enclosure

ALASKA HOUSING FINANCE CORPORATION

Exhibit A - Table of Contents

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| Mortgage Demand and Financings                  | 18          |

NOTE: Projections have been based upon recent mortgage application volume. Bonding and subsidy projections are extremely sensitive to fluctuations in mortgage demand.

ALASKA HOUSING FINANCE CORPORATION

Summary of Exhibit A

| <u>Current Programs</u> | <u>Bonds Issued</u> | <u>Est. Mtg. Demand<br/>All Programs</u> | <u>Related Subsidy<br/>Transfers</u> | <u>Revolving Fund<br/>Liquid Assets<br/>(General Account)<br/>End of FY</u> | <u>Level of Subsidy</u> |
|-------------------------|---------------------|--|--------------------------------------|---|-------------------------|
| FY 86                   | 800                 | 785                                      | 152                                  | 172   | 3%                      |
| FY 87                   | 500                 | 792                                      | 92                                   | 104   | 3%                      |
| FY 88                   | 550                 | 824                                      | 98                                   | 28  | 3%                      |
| FY 89                   | 550                 | 870                                      | 122                                  | 27*   | 3%                      |

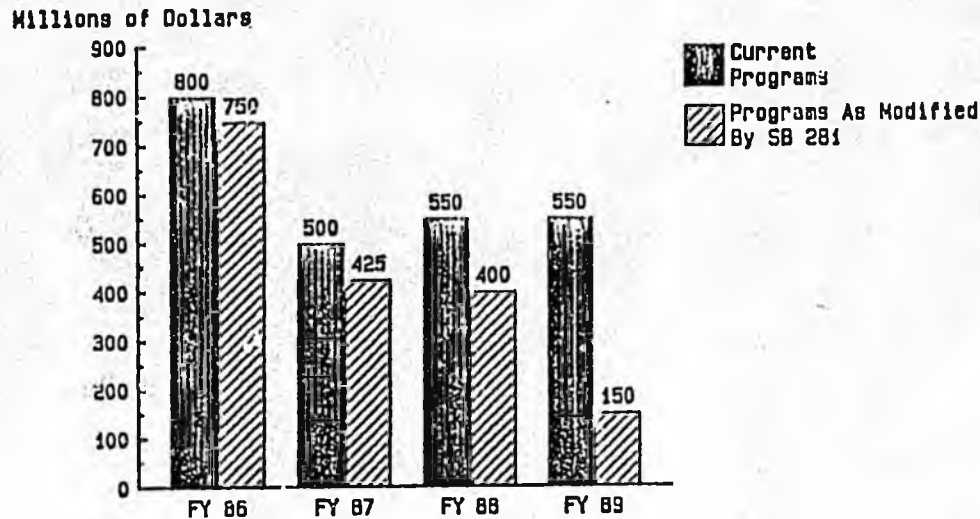
| <u>As Modified By<br/>SB 281</u> | <u>Bonds Issued</u> | <u>Est. Mtg. Demand<br/>All Programs</u> | <u>Related Subsidy<br/>Transfers</u> | <u>Revolving Fund<br/>Liquid Assets<br/>(General Account)<br/>End of FY</u> | <u>Level of Subsidy</u> |
|----------------------------------|---------------------|--|--------------------------------------|---|-------------------------|
| FY 86                            | 750                 | 726                                      | 126                                  | 205   | 2-1/2% eff. 10-1-85     |
| FY 87                            | 425                 | 634                                      | 45                                   | 198   | 2% eff. 10-8-86         |
| FY 88                            | 400                 | 527                                      | 14                                   | 231   | 1-1/2% eff. 10-1-87     |
| FY 89                            | 150                 | 480                                      | -0-                                  | 287   | 1% eff. 10-1-88         |

NOTE: Above projections anticipate receipt of \$16 million FY 84 appropriation and retention of all assets of the Alaska Housing Finance Revolving Fund.

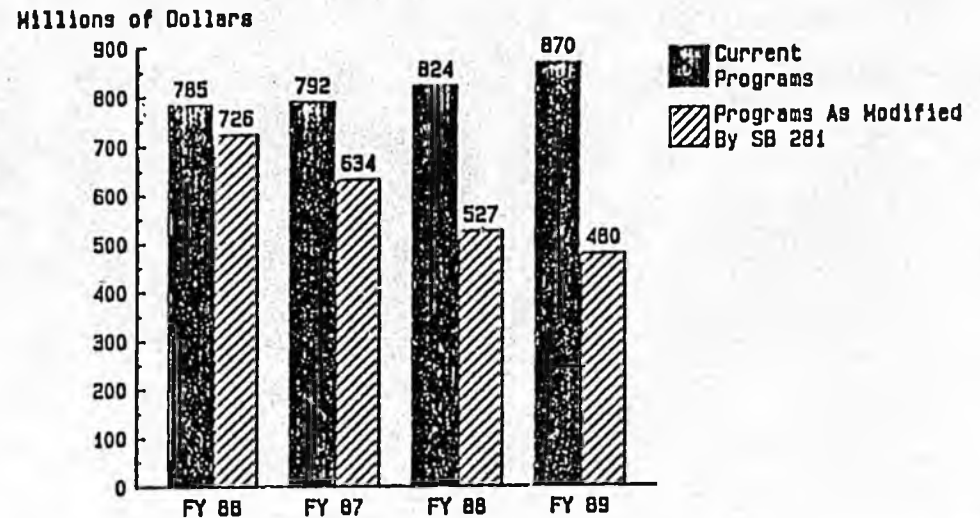
\* Anticipates receipt of \$100 million appropriation in FY 89.

**ALASKA HOUSING FINANCE CORPORATION**  
*Analysis of the Projected Effects of SB 281*

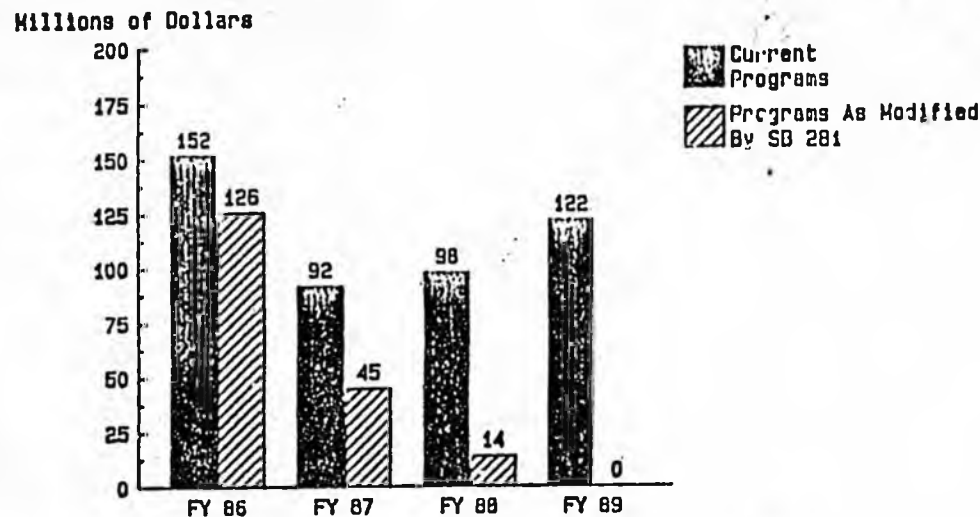
**BONDS ISSUED**



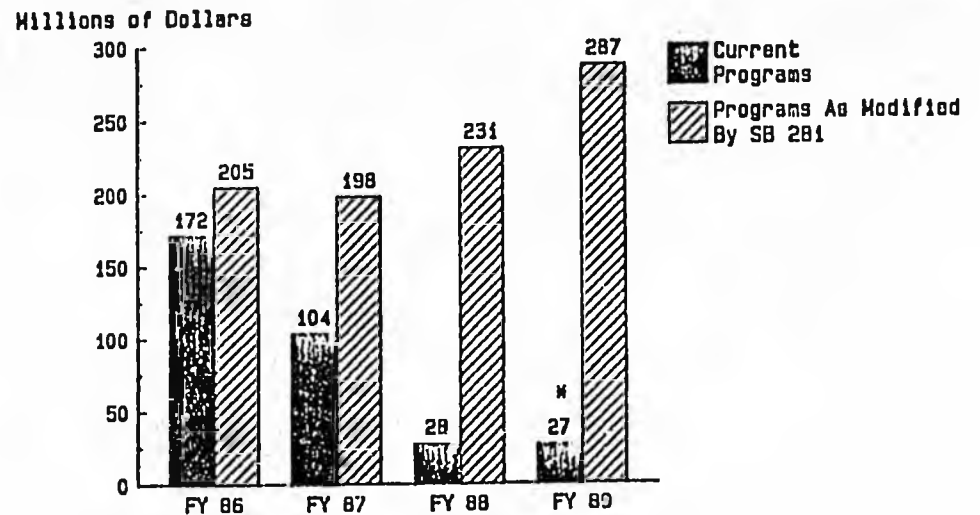
**ESTIMATED MORTGAGE DEMAND ALL PROGRAMS**



**RELATED SUBSIDY TRANSFERS**



**REVOLVING FUND LIQUID ASSETS GENERAL ACCOUNT END OF FISCAL YEAR**



NOTE: Above projections anticipate receipt of \$16 million FY 84 appropriation and retention of all assets of the Alaska Housing Finance Revolving Fund.

\* Anticipates receipt of \$100 million appropriation in FY 89.

SECTION 1 - CURRENT PROGRAMS

04/15/85

## ALASKA HOUSING FINANCE CORPORATION

Projected Revolving Fund Activity

Fiscal Year 1986  
(In Millions)

|                                      | HOF Account  |             | General Account             |                |              | Total        |
|--------------------------------------|--------------|-------------|-----------------------------|----------------|--------------|--------------|
|                                      | Loans        | Investments | Loans & Net Mtg. Securities |                | Investments  |              |
|                                      |              |             | Conforming                  | Non-Conforming |              |              |
| Balance: July 1, 1985                | \$110        | -0-         | \$202                       | \$142          | \$ 93        | \$547        |
| Prepayments and principal reductions | (8)          | \$ 8        |                             | (13)           | 13           | -0-          |
| Earnings                             |              | 11          |                             |                | 38           | 49           |
| Home ownership assistance subsidies  |              | (7)         |                             |                |              | (7)          |
| IMB earnings released                |              |             |                             |                | 16           | 16           |
| Non-bonded mortgage programs         |              |             |                             |                |              |              |
| Second mortgages                     |              |             |                             | 10             | (10)         | -0-          |
| Mobile home loans                    | 12           | (12)        |                             | 28             | (28)         | -0-          |
| Reduction in loans warehoused        |              |             | (50)                        |                | 50           | -0-          |
| Increase in HOF account              | 30           |             |                             | (30)           |              | -0-          |
| Required subsidy transfers           | —            | —           | —                           | —              | (152)        | (152)        |
| Balance: June 30, 1986               | <u>\$144</u> | <u>-0-</u>  | <u>\$152</u>                | <u>\$137</u>   | <u>\$ 20</u> | <u>\$453</u> |

NOTE: The composition of the General Account will vary between conforming loans and investment securities depending upon the closing out of the recently sold issues. The current composition is felt to be reflective of the anticipated future mix.

04/15/85

## ALASKA HOUSING FINANCE CORPORATION

## SPECIAL MORTGAGE LOAN PURCHASE PROGRAM

Summary of Mortgage Demand and Proposed Bond Financing

Fiscal Year 1986

(In Millions)

|   | Mortgage<br>Loan Funds<br>Available<br>7-1-85 | Program<br>Repayments and<br>Earnings | Bond<br>Proceeds | Sales<br>Costs | Subsidy      | Subsidy<br>Allocation | Estimated<br>Mortgage Demand<br>FY 86 | Mortgage<br>Loan Funds<br>Available<br>6-30-86 |
|---|---|---------------------------------------|------------------|----------------|--------------|-----------------------|---------------------------------------|--|
| <u>Bonded Programs</u>                                    |   |                                       |                  |                |              |                       |                                       |  |
| Taxable First Mortgage Program                            | \$ 62 <sup>(4)</sup>                          | \$ 60 <sup>(1)</sup>                  | \$150            | \$ (2)         | \$ 42        | \$ 40                 | \$280                                 | \$ 72  |
| First Mortgage Veterans Program<br>State Guaranteed Bonds | 209   | 17 <sup>(2)</sup>                     | 150              | (4)            | 18           | (14)                  | 250                                   | 126  |
| First Time Homebuyers Program<br>Home Mortgage Bonds      | 75  | 5 <sup>(2)</sup>                      | 200              | (6)            | 32           | (26)                  | 205                                   | 75   |
| <u>Internally Funded Programs</u>                         |   |                                       |                  |                |              |                       |                                       |  |
| Second Mortgage Program                                   | -0-   | 10 <sup>(3)</sup>                     |                  |                |              |                       | 10                                    |  |
| Mobile Home Loan Program                                  | -0-   | 40 <sup>(3)</sup>                     |                  |                |              |                       | 40                                    |  |
|   | <u>\$346</u>                                  | <u>\$132.</u>                         | 500              | <u>\$(12)</u>  | 92           | <u>-0-</u>            | <u>\$785</u>                          | <u>\$273</u>                                   |
| Deferred FNMA Note Closings                               |   |                                       | <u>300</u>       |                | <u>60</u>    |                       |                                       |  |
|   |   |                                       | <u>\$800</u>     |                | <u>\$152</u> |                       |                                       |  |

(1) Housing and Insured Mortgage Bond repayments.

(2) Represents amounts made available for recycling subject to federal restrictions as to borrower and residence.

(3) Portion of earnings and prepayments of Revolving Fund including HOF Account.

(4) Includes amounts related to subsequent issuance of \$300 million collateral notes to be sold directly to FNMA.

04/15/85

## ALASKA HOUSING FINANCE CORPORATION

Projected Revolving Fund ActivityFiscal Year 1987

(In Millions)

|                                      | HOF Account  |             | General Account             |                |             | Total        |
|--------------------------------------|--------------|-------------|-----------------------------|----------------|-------------|--------------|
|                                      | Loans        | Investments | Loans & Net Mtg. Securities |                | Investments |              |
|                                      |              |             | Conforming                  | Non-Conforming |             |              |
| Balance: July 1, 1986                | \$144        | -0-         | \$152                       | \$137          | \$ 20       | \$453        |
| Prepayments and principal reductions | (10)         | \$ 10       |                             | (10)           | 10          | -0-          |
| Earnings                             |              | 14          |                             |                | 28          | 42           |
| Home ownership assistance subsidies  |              | (9)         |                             |                |             | (9)          |
| IMB earnings released                |              |             |                             |                | 13          | 13           |
| Non-bonded mortgage programs         |              |             |                             |                |             |              |
| Second mortgages                     |              |             |                             | 7              | (7)         | -0-          |
| Mobile home loans                    | 15           | (15)        |                             | 20             | (20)        | -0-          |
| Reduction in loans warehoused        |              |             | (50)                        |                | 50          | -0-          |
| Required subsidy transfers           | —            | —           | —                           | —              | (92)        | (92)         |
| Balance: June 30, 1987               | <u>\$149</u> | <u>-0-</u>  | <u>\$102</u>                | <u>\$154</u>   | <u>\$ 2</u> | <u>\$407</u> |

NOTE: The composition of the General Account will vary between conforming loans and investment securities depending upon the closing out of the recently sold issues. The current composition is felt to be reflective of the anticipated future mix.