

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672

1150 SCOMM 34: HOUSE SPEC. COMMITTEE ON STATE LOANS 1983-84 317

1 building, structure, work, or improvement of five or more dwelling  
2 units, or a group of these buildings, structures, works, or improve-  
3 ments, the primary purpose of which is to provide rental dwelling  
4 accommodations and which qualifies for tax-exempt financing under sec.  
5 103 of the Internal Revenue Code of 1954, as amended (26 U.S.C. Sec.  
6 103), or sec. 11(b) of the National Housing Act of 1937, as amended [,  
7 AND WHICH IS ORIGINALLY FINANCED BEFORE JANUARY 1, 1984]; "multifamily  
8 housing project" includes the acquisition, construction, or rehabili-  
9 tation of land, buildings, and improvements for rental dwellings,  
10 accommodations, and other facilities that may be incidental or appur-  
11 tenant to rental dwelling accommodations.

12 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
13 10.070(c).

## Sectional Analysis of Multi-Family Legislation

Section 1: This additional language will enable the Authority to use the multi-family housing loan security fund for capital reserve fund purposes. Capital reserve funds are normally equal to one years average annual debt service.

Section 2: This revised language removes the \$10 million limit on capital reserve funds for multi-family housing projects. The original \$10 million limit was based upon the same limit being imposed by the federal tax code.

Section 103(b)(6) of the federal tax code is the "small issue exemption" that allows the Authority to issue tax free industrial development bonds for business financing, up to a limit of \$10 million per project.

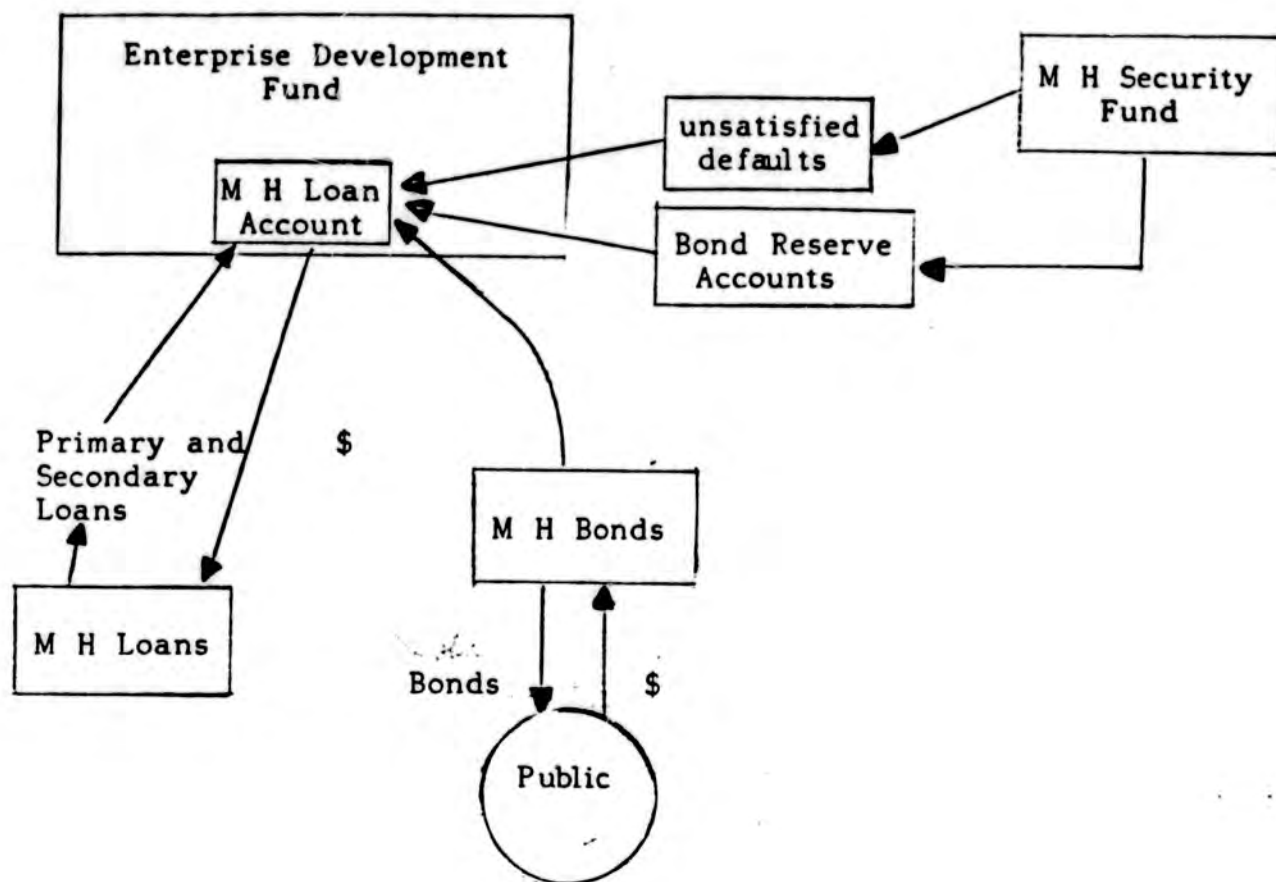
Most of the Authority's activities are based on this portion of the tax code. The multi-family program, however, is based on Section 103(b)(4) of the tax code, and no \$10 million limit is applied in this case. Hence, this modification would allow the Authority the opportunity of taking advantage of the greater flexibility of this section of the federal tax code.

Section 3(f): This makes technical corrections to allow the Authority to utilize the reserve fund for bond issues and also prohibits bond proceeds to be used for secondary debt.

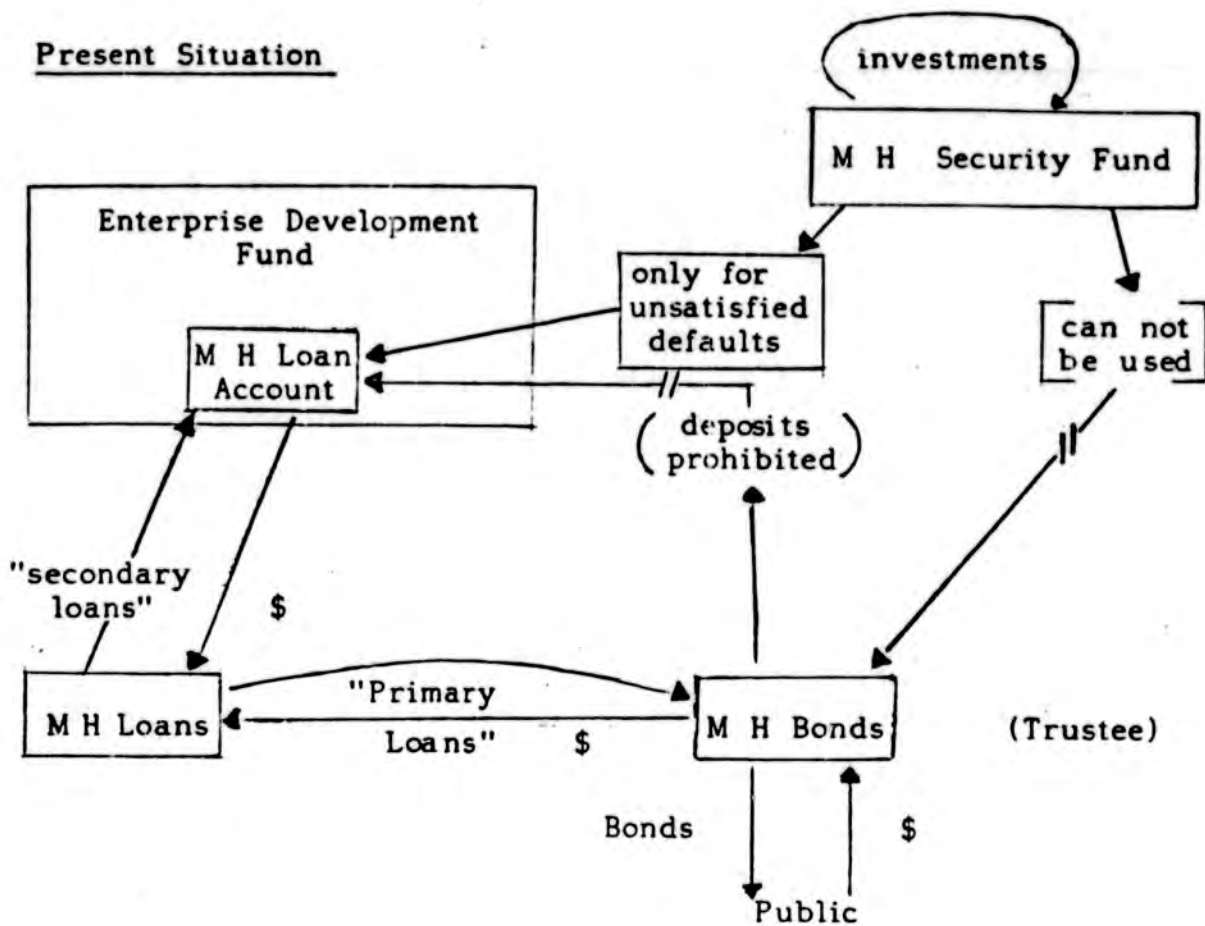
Section 4(h): This once again restates that the multi-family housing loan security fund may be used to provide funds for capital reserve purposes and also used for a loan loss reserve.

Section 5(2): This removes the January 1, 1984 sunset provision and allows the multi-family housing to be an ongoing program.

Proposed Situation



Present Situation



# #1. Rural Development Assistance Grants

Register

COMMUNITY AND REGIONAL AFFAIRS

19 AAC 60.030

(b) A borough which has the authority to execute and fulfill the terms of the grant contract required by section 080(d) of this chapter shall be the applicant for all communities located within it.

(c) In a borough which does not have the necessary authority, or in the unorganized borough, any entity described in (1) through (3) of this subsection which has the authority to execute and fulfill the terms of the grant contract required by section 080(d) of this chapter may apply on behalf of the community. The department will prefer a municipal applicant over any other applicant.

(1) a municipal corporation;

(2) a nonprofit corporation organized under AS 10.20;

(3) a village council organized under the Indian Reorganization Act, 25 U.S.C. ss 476, or a traditional village council recognized under the Indian Self Determination Act, 43 U.S.C. ss 1618(a), which has irrevocably waived, in a form approved by the department of law, any claim to sovereign immunity which might arise in connection with use of the grant money.

(e) Two or more eligible communities may join together and submit a single application. In such case, the total amount of funding shall be an amount equal to the combined funding as if each eligible community applied separately.

(f) For purposes of this chapter only a community which lacks one or more of the following attributes is considered "rural".

(1) Population over 600.

(2) A centralized water system and sewage system that serves a majority of the residents.

(3) Five or more business establishments which provide goods and services such as transient accommodations or eating establishments, specialty retail stores, plumbing and electrical services, etc.

(4) Organized police and fire protection.

(5) Resident medical and dental services other than those provided by Indian Health Service.

(6) Improved streets and sidewalks maintained on a year round basis.

Authority: AS 44.47.130 (4), (5)  
AS 44.47.145  
AS 44.47.980

Introduced: 3/23/83  
Referred: Labor and Commerce  
and Finance

1 IN THE SENATE

BY KERTTULA BY REQUEST

2

SENATE BILL NO. 199

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to mortgage assistance for members

7

of the Alaska delegation to the United States Con-

8

gress; and providing for an effective date."

9

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

10

\* Section 1. AS 18.56 is amended by adding a new section to read:

11

Sec. 18.56.205. RESIDENTIAL MORTGAGE ASSISTANCE FOR MEMBERS OF

12

THE ALASKA DELEGATION TO CONGRESS. The corporation may extend the

13

special mortgage loan purchase program (AS 18.56.098) to purchase a

14

mortgage loan made for the purchase or rehabilitation of a residence

15

located in the District of Columbia or within 50 miles of the District

16

of Columbia to a member of the United States Congress from Alaska if

17

the member is otherwise qualified for assistance under the special

18

mortgage loan purchase program.

19

\* Sec. 2. This Act takes effect immediately in accordance with AS 01.-

20

10.070(c).

Introduced: 3/29/83  
Referred: House Special Committee  
on State Loans and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2

HOUSE BILL NO. 305

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to state housing loans; and provid-  
7 ing for an effective date."

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

9 \* Section 1. AS 18.56.098(g) is amended to read:

10 (g) The corporation shall establish the interest rate on a first  
11 mortgage loan purchased under (g) of this section in accordance with  
12 the following:

13 (1) The interest rate on the first \$100,000 [\$90,000] of a  
14 mortgage loan purchased with the proceeds of an [THE FIRST] issue of  
15 taxable bonds of the corporation is four percent less than [10 PERCENT  
16 OR] the cost of funds of that issue except that

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

19 (B) if the cost of funds of that issue is more than 10  
20 percent, the interest rate may not be less than 10 percent; and

21 (C) the interest rate may not exceed 12.5 percent [,  
22 WHICHEVER IS LESS].

23 (2) [THE INTEREST RATE ON THE FIRST \$90,000 OF A MORTGAGE  
24 LOAN PURCHASED WITH THE PROCEEDS OF A SECOND OR SUBSEQUENT ISSUE OF  
25 TAXABLE BONDS OF THE CORPORATION SHALL BE DETERMINED AS FOLLOWS:

26 (A) IF THE COST OF FUNDS OF AN ISSUE OF TAXABLE BONDS  
27 IS MORE THAN THE COSTS OF FUNDS OF THE PRECEDING ISSUE OF TAXABLE  
28 BONDS, THE INTEREST RATE SHALL BE INCREASED BY AN AMOUNT EQUAL TO  
29 THE DIFFERENCE BETWEEN THE COST OF FUNDS OF THE TWO BOND ISSUES.

1 (B) EXCEPT AS PROVIDED IN (C) AND (D) OF THIS PARA-  
2 GRAPH AND (3) OF THIS SUBSECTION, THE INTEREST RATE MAY NOT BE  
3 LESS THAN 10 PERCENT AND MAY NOT BE REDUCED.

4 (C) IF THE DIFFERENCE BETWEEN THE COSTS OF FUNDS OF AN  
5 ISSUE OF TAXABLE BONDS AND THE INTEREST RATE ESTABLISHED FOR A  
6 MORTGAGE LOAN PURCHASED WITH THE PROCEEDS OF THE PREVIOUS ISSUE  
7 WOULD BE EQUAL TO OR LESS THAN THREE PERCENT, THE INTEREST RATE  
8 ON MORTGAGE LOANS PURCHASED WITH THE PROCEEDS OF THAT TAXABLE  
9 BOND ISSUE AND SUBSEQUENT TAXABLE BOND ISSUES IS THREE PERCENT  
10 LESS THAN THE COST OF FUNDS OF THE TAXABLE BOND ISSUE THAT IS  
11 USED TO PURCHASE THE MORTGAGE LOAN.

12 (D) THE INTEREST RATE ON A MORTGAGE LOAN PURCHASED  
13 WITH THE PROCEEDS OF A TAXABLE BOND ISSUE MAY NOT BE LESS THAN 10  
14 PERCENT UNLESS THE COST OF FUNDS OF THE TAXABLE BOND ISSUE IS  
15 LESS THAN 10 PERCENT, IN WHICH CASE THE INTEREST ON A MORTGAGE  
16 LOAN PURCHASED WITH THE PROCEEDS OF A TAXABLE BOND ISSUE IS EQUAL  
17 TO THE COST OF FUNDS.

18 (E) IF THE PROCEEDS OF A TAXABLE BOND ISSUE ARE TO BE  
19 USED ONLY FOR THE PURCHASE OF MORTGAGE LOANS FOR TRIPLEX AND  
20 FOUR-PLEX RESIDENCES, THE COST OF FUNDS OF THAT BOND ISSUE IS NOT  
21 CONSIDERED IN DETERMINING THE INTEREST RATE ON THE FIRST \$90,000  
22 OF A MORTGAGE LOAN. THE INTEREST RATE ON THE FIRST \$90,000 OF A  
23 MORTGAGE LOAN THAT IS PURCHASED WITH THE PROCEEDS FROM A TAXABLE  
24 BOND ISSUE USED SOLELY FOR THE PURCHASE OF MORTGAGE LOANS FOR  
25 TRIPLEX AND FOUR-PLEX RESIDENCES IS EQUAL TO THE INTEREST RATE,  
26 AS DETERMINED UNDER THIS PARAGRAPH, ON A MORTGAGE LOAN PURCHASED  
27 WITH THE PROCEEDS OF THE PRECEDING ISSUE OF TAXABLE BONDS.]

28 (3) An interest rate determined under this subsection on  
29 the first \$100,000 [\$90,000] of a mortgage loan that is not purchased

1 from the proceeds of bonds that are qualified veterans' mortgage bonds  
2 under the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103A), as  
3 amended, shall be reduced by one percentage point if the loan is made  
4 to an eligible veteran under AS 18.56.101.

5 (4) The interest rate for the amount of a mortgage loan  
6 purchased under (a) of this section that exceeds \$100,000 [\$90,000] is  
7 equal to the cost of funds to the corporation attributable to that  
8 part of the loan.

9 (5) The interest rate on the first \$100,000 of a mortgage  
10 loan purchased with [FROM] money that is not the proceeds of either  
11 taxable or tax-exempt bonds [APPROPRIATED TO THE CORPORATION] is the  
12 rate the corporation determines is appropriate by application of the  
13 provisions of (1) -- (4) of this subsection. [THE RATE MAY BE BASED  
14 ON AN ESTIMATE OF THE COST OF FUNDS OF A PROPOSED ISSUE OR ISSUES OF  
15 BONDS.]

16 (6) The interest rate on the first \$100,000 [\$90,000] of a  
17 mortgage loan purchased from the proceeds of bonds that are exempt  
18 from taxation under the Mortgage Subsidy Bond Tax Act of 1980 (26  
19 U.S.C. 103A), as amended, other than bonds that constitute qualified  
20 veterans' bonds under (i) of this section, is 10 percent or the cost  
21 of the funds, whichever is less. A higher or lower interest rate  
22 shall be established on the entire loan amount if required under the  
23 Mortgage Subsidy Bond Tax Act.

24 (7) In this subsection

25 (A) "cost of funds" means the true interest cost  
26 expressed as a rate on bonds of the corporation plus an addition-  
27 al percentage as determined by the corporation to represent the  
28 allocable expenses of operation costs of issuance, and mortgage  
29 servicing;

1 (B) "taxable bonds" means bonds bearing interest that  
2 is taxable under the provisions of the Mortgage Subsidy Bond Tax  
3 Act of 1980 (26 U.S.C. 103A) issued to finance the purchase of  
4 first mortgage loans.

5 \* Sec. 2. AS 18.56.098(h) is amended to read:

6 (h) The corporation shall establish the interest rate on a  
7 second mortgage loan purchased under (a) of this section in the manner  
8 established for computing the interest rates on a first mortgage loan  
9 under (g) of this section except that, in the case of a second mort-  
10 gage loan, if the first mortgage loan made to the same borrower is  
11 held by the corporation and was purchased under the special mortgage  
12 loan purchase program, the outstanding principal balance of the  
13 existing first mortgage loan is subtracted from \$100,000 [\$90,000] to  
14 determine the amount of the loan that is eligible for an interest rate  
15 on a second mortgage loan determined by reference to (g) of this  
16 section.

17 \* Sec. 3. AS 18.56.098(i) is amended to read:

18 (i) The interest rate on the first \$100,000 [\$90,000] of a  
19 mortgage loan purchased from the proceeds of bonds that constitute  
20 qualified veterans' mortgage bonds under the Mortgage Subsidy Bond Tax  
21 Act of 1980 (26 U.S.C. 103A) as amended, is the greater of (1) four  
22 percent less than the cost of funds or (2) the rate for other loans to  
23 veterans under AS 18.56.098(g)(3). A higher or lower interest rate  
24 shall be established on the entire loan amount if required under the  
25 Mortgage Subsidy Bond Tax Act of 1980.

26 \* Sec. 4. AS 18.56.101 is amended to read:

27 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The  
28 following persons are eligible veterans for the purposes of AS 18.56.-  
29 098(g) and (h):

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

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

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

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

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

19           [(A) THE MEMBER OR VETERAN WAS A RESIDENT OF THE  
20 TERRITORY OR STATE FOR ONE YEAR BEFORE INDUCTION INTO THE SER-  
21 VICE;

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

24           [(C)] the veteran's [HIS] discharge was under honor-  
25 able conditions;

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

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

4 \* Sec. 5. AS 18.56.115 is amended to read:

5 Sec. 18.56.115. INDEPENDENT FINANCIAL ADVISOR. In negotiating  
6 the private sale of bonds or bond anticipation notes to an underwrit-  
7 er, the corporation may [SHALL] retain a financial advisor. Any such  
8 advisor retained by the corporation must be [WHO IS] independent from  
9 the underwriter.

10 \* Sec. 6. AS 44.47.380 is amended to read:

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

22 (1) nonconforming and rural housing mortgage loans;

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

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

27 (4) loans made for the construction of owner-occupied  
28 nonconforming and rural housing other than loans to builders or con-  
29 tractors or loans that compensate an owner for the owner's labor or

1 services in constructing the owner's own housing.

2 \* Sec. 7. AS 44.47 is amended by adding a new section to read:

3 Sec. 44.47.382. HOME OWNERSHIP ASSISTANCE FUND. (a) There is  
4 created in the Department of Community and Regional Affairs, the home  
5 ownership assistance fund consisting of money appropriated to it by  
6 the legislature. Money in the fund shall be used solely to assist  
7 persons of lower and moderate income to purchase single-family homes  
8 financed under AS 44.47.360 -- 44.47.560 by providing a subsidy to  
9 those persons in an amount not greater than the difference between

10 (1) the amount annually required to pay the interest on and  
11 principal of that person's loan and real property taxes and insurance  
12 for the home purchased with the loan; and

13 (2) 25 percent of that person's annual gross income.

14 (b) In this section, "persons of lower and moderate income"  
15 means individuals considered by the division to require assistance  
16 under this section because of inadequate income or other limited  
17 personal financial resources, taking into consideration

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

19 (2) the size of the family;

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

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

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

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

26 \* Sec. 8. AS 44.47.390(4) is amended to read:

27 (4) originate a direct loan for nonconforming or rural  
28 housing or purchase or participate in the purchase of a nonconforming  
29 or rural housing mortgage loan, other than a loan for the repair,

1 remodeling, rehabilitation, or expansion of an existing owner-occupied  
2 residence, if the borrower has an outstanding housing loan made under  
3 a state loan program, other than a loan for nonowner-occupied housing  
4 under AS 44.47.520, that bears interest at a rate that was less than  
5 the prevailing market interest rate for similar housing loans at the  
6 time the loan was made.

7 \* Sec. 9. AS 44.47.410 is amended to read:

8 Sec. 44.47.410. INTEREST ON LOANS. (a) The interest rate on a  
9 mortgage loan originated or purchased in whole or in part under  
10 AS 44.47.380 for nonconforming housing that is not rural housing is  
11 one-quarter percent more than [EQUAL TO] the interest rate, as deter-  
12 mined under AS 18.56.098(g)(1) -- (4), on a mortgage loan purchased  
13 under AS 18.56.098(a) from the proceeds of the most recent applicable  
14 issue of taxable bonds before the origination or purchase of the  
15 mortgage loan originated or purchased under AS 44.47.380.

16 (b) The interest rate on a mortgage loan originated or purchased  
17 in whole or in part under AS 44.47.380 for rural housing is one per-  
18 cent less than the interest rate, as determined under AS 18.56.-  
19 098(g)(1) -- (4), on a mortgage loan purchased under AS 18.56.098(a)  
20 from the proceeds of the most recent applicable issue of taxable bonds  
21 before the origination or purchase of the mortgage loan originated or  
22 purchased under AS 44.47.380 [10-1/2 PERCENT].

23 \* Sec. 10. AS 44.47.560(5) is repealed and reenacted to read:

24 (5) "rural" means of or relating to a community in the  
25 state with a population of 4,500 or less, as determined by the  
26 department under AS 29.88.015, that

27 (A) is not connected by road or rail to Anchorage or  
28 Fairbanks; or

29 (B) is connected by road or rail to Anchorage or

1 Fairbanks, but is more than 100 air miles from Anchorage and from  
2 Fairbanks.

3 \* Sec. 11. The amendments to AS 18.56.098(g) -- (i) made by secs. 1 --  
4 3 of this Act apply only to mortgage loans purchased by the Alaska Housing  
5 Finance Corporation from the proceeds of, or other money to be pledged to,  
6 bonds sold after the effective date of secs. 1 -- 3 of this Act.

7 \* Sec. 12. AS 44.47.385 is repealed.

8 \* Sec. 13. Sections 7, 8, 10, and 12 of this Act take effect January 1,  
9 1984.

10 \* Sec. 14. Sections 1 -- 6, 9, and 11 of this Act take effect immedi-  
11 ately in accordance with AS 01.10.070(c).

Offered: 6/20/83  
Referred: Rules

Original sponsor: House Special Committee  
on State Loans

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 SENATE CS FOR CS FOR HOUSE BILL NO. 302 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to state housing loan and state  
7 alternative technology loan programs; and providing  
8 for an effective date."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. AS 18.55.996(a) is amended by adding a new paragraph to  
11 read:  
12 (14) Sitka Community Association (Baranof Island)  
13 \* Sec. 2. AS 18.56 is amended by adding a new section to read:  
14 Sec. 18.56.082. ALASKA HOUSING FINANCE REVOLVING FUND. The  
15 Alaska housing finance revolving fund is established in the  
16 corporation. The revolving fund consists of appropriations made to  
17 the revolving fund by the legislature, money or other assets  
18 transferred to the revolving fund by the corporation, unrestricted  
19 repayments of principal on loans made or purchased by the corporation.  
20 Amounts deposited in the revolving fund shall be expended for the  
21 purposes of the corporation, set out in this chapter.  
22 \* Sec. 3. AS 18.56.089 is amended to read:  
23 Sec. 18.56.089. EXECUTIVE BUDGET ACT. The operating budget of  
24 the corporation is subject to the Executive Budget Act (AS 37.07). To  
25 further ensure effective budgetary decision making by the legislature,  
26 the corporation shall present a complete accounting of the Alaska  
27 housing finance revolving fund to the legislature by January 10 of  
28 each year. The accounting shall be audited by an independent outside  
29 auditor and shall include a full description of all mortgage loan

PRINCIPLE  
IS LEFT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The  
28 following persons are eligible veterans for the purposes of AS  
29 18.56.098(g) and (h):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 participate in the purchase of

2 (1) nonconforming and rural housing mortgage loans;

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

5 (3) loans made for renovations or improvements to  
6 nonconforming and rural housing;

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

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

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

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

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

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

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

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

10   \* Sec. 14. AS 44.47.390(4) is amended to read  
11               (4) originate a direct loan for nonconforming or rural  
12       housing or purchase or participate in the purchase of a nonconforming  
13       or rural housing mortgage loan, other than a loan for the repair,  
14       remodeling, rehabilitation, or expansion of an existing owner-occupied  
15       residence, if the borrower has an outstanding housing loan made under  
16       a state loan program, other than a loan for nonowner-occupied housing  
17       under AS 44.47.520, that bears interest at a rate that was less than  
18       the prevailing market interest rate for similar housing loans at the  
19       time the loan was made.

20   \* Sec. 15. AS 44.47.390 is amended by adding a new paragraph to read:  
21               (5) originate a direct mortgage loan or purchase or  
22       participate in the purchase of a mortgage loan for rental housing  
23       unless th borrower agrees not to discriminate against tenants or  
24       prospective pregnancy, parenthood, race, religion, color, national  
25       origin, or status as a student.

26   \* Sec. 16. AS 44.47.410 is amended to read:  
27               Sec. 44.47.410. INTEREST ON LOANS. (a) The interest rate on a  
28       mortgage loan originated or purchased in whole or in part under AS  
29       44.47.380 for a nonconforming housing that is not rural housing is

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

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

13    \* Sec. 17. AS 44.47 ANNUAL REPORT is amended by adding a new section  
14    to read:

15             Sec. 44.47.530. To further ensure effective budgetary decision  
16     making by the legislature, the division shall present a complete  
17     accounting of the housing assistance revolving fund to the legislature  
18     by January 10 of each year. The accounting shall be audited by an  
19     independent outside auditor and shall include a full description of  
20     all mortgage loan interest and principal repayments and program  
21     receipts, including mortgage loan commitment fees, received by or  
22     accrued to the division during the preceding fiscal year, and all  
23     income earned on assets of the division during that period.

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

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

28    \* Sec. 19. AS 45.88.030(c)(1) is amended to read:

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

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

5 \* Sec. 20. Delete and replace with:

6 AS 45.88.500 is amended to read:

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

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

13 (2) includes

14 (A) an alternative energy property as defined by sec.  
15 48[(1)](1)(3)(A) of the Internal Revenue Code (26 U.S.C. sec.  
16 48[(1)](1)(3)(A);

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

20 (C) any other device approved by the Commissioner of  
21 Commerce and Economic Development under AS 44.33.040(12); and

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

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

26 (3) does not include

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

29 (B) a fireplace or fireplace insert.

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

4     \* Sec. 21 AS 44.47 is amended by adding new sections to read:

5             ARTICLE 12. LOW COST AND LOW INCOME

6             MULTIPLE FAMILY HOUSING DEVELOPMENT FUND.

7             AS 44.47.630 DECLARATION OF PURPOSE. There exists in the  
8     state a serious shortage of low cost multiple family residential  
9     housing available at low rentals. There also exists in the state  
10    organizations whose purposes are to provide the housing needed to  
11    alleviate this shortage. Development work to provide this housing  
12    involves substantial expense that is often beyond the resources of the  
13    organizations.

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

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

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

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

8 (e) In this section "low cost and low income multiple family  
9 housing" means a specific work or improvement undertaken primarily to  
10 provide multiple family dwelling accommodations for low income  
11 persons. Low cost and low income multiple family housing includes the  
12 acquisition, construction, or rehabilitation of land, buildings,  
13 improvements, and other nonhousing facilities that are incidental or  
14 appurtenant to the housing.

15 \* Sec. 22. Section 69(c)(8), ch. 113, SLA 1982, is amended to read:

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

21 \* Sec. 23. Section 69(e), ch. 113, SLA 1982, is amended to read:

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

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

29 (f) A multifamily housing loan account is established in the

1 enterprise development fund of the authority (AS 44.88.155),  
2 consisting of money and other assets of the enterprise development  
3 fund that the authority deposits into it. [HOWEVER, THE AUTHORITY MAY  
4 NOT DEPOSIT PROCEEDS FROM THE SALE OF BONDS OF THE AUTHORITY INTO THE  
5 MULTIFAMILY HOUSING LOAN ACCOUNT.] The multifamily housing loan  
6 account shall be used only to purchase or originate loans for  
7 multifamily housing projects. The authority may not use proceeds from  
8 the sale of bonds of the authority to finance secondary loans for  
9 multifamily housing. Notwithstanding the provisions of AS  
10 44.88.155(d), a loan purchased or originate by the authority for the  
11 multifamily housing loan account

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

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

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

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

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

7           (h) The multifamily housing loans security fund is established  
8 in the authority. The multifamily housing loans security fund  
9 consists of money and assets appropriated or transferred to it, the  
10 income produced from its investments and holdings, and deposits that  
11 the authority may make from repayments of multifamily housing loans  
12 purchased by the multifamily housing loan account of the enterprise  
13 development fund. The assets of the multifamily housing loans  
14 security fund may be used to establish capital reserve funds to secure  
15 bonds issued in connection with the financing of multifamily housing  
16 projects. The assets of [THE PURPOSE OF] the multifamily housing  
17 loans security fund may also be used [IS] to provide a loan loss  
18 reserve for the enterprise development fund for multifamily housing  
19 loans made by the authority from the multifamily housing loan account  
20 of the enterprise development fund. The multifamily housing loans  
21 security fund is not a general asset of the authority and may not be  
22 pledged or committed in any way except as provided in this subsection  
23 [TO PROVIDE A LOAN LOSS RESERVE FOR THE ENTERPRISE DEVELOPMENT FUND  
24 FOR MULTIFAMILY HOUSING LOANS MADE BY THE AUTHORITY FROM THE  
25 MULTIFAMILY HOUSING LOAN ACCOUNT OF THE ENTERPRISE DEVELOPMENT FUND].  
26 The authority may

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

1 appropriate;

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

5 \* Sec. 26. Section 69(k)(2), ch. 113, SLA 1982, is amended to read:

6 (2) "multifamily housing project" means a specific  
7 building, structure, work, or improvement of five or more dwelling  
8 units, or a group of these buildings, structures, works, or  
9 improvements, the primary purpose of which is to provide rental  
10 dwelling accommodations and which qualifies for tax-exempt financing  
11 under sec. 103 of the Internal Revenue Code of 1954, as amended (26  
12 U.S.C. sec. 103), or sec. 11(b) of the National Housing Act of 1937,  
13 as amended [, AND WHICH IS ORIGINALLY FINANCED BEFORE JANUARY 1,  
14 1984]; "multifamily housing project" includes the acquisition,  
15 construction, or rehabilitation of land, buildings, and improvements  
16 for rental dwellings, accommodations, and other facilities that may be  
17 incidental or appurtenant to rental dwelling accommodations.

18 \* Sec. 27. AS 18.56.098(g)(2) is repealed.

19 \* Sec. 28. Section 13 of this Act takes effect January 1, 1984.

20 \* Sec. 29. Sections 1 - 12, and 14 - 26 of this Act take effect  
21 immediately in accordance with AS 01.10.070(c).

Offered: 6/9/83  
Referred:

Original sponsor: House Special Committee  
on State Loans

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

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

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

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

12 (14) Sitka Community Association (Baranof Island)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The  
28 following persons are eligible veterans for the purposes of AS  
29 18.56.098(g) and (h):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created  
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25 LOANS MADE OR PURCHASED FROM THE ASSETS OF THE FUND MUST BE  
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28 in accordance with AS 44.47.360 - 44.47.560 and shall use the money in  
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1 participate in the purchase of

2 (1) nonconforming and rural housing mortgage loans;

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

5 (3) loans made for renovations or improvements to  
6 nonconforming and rural housing;

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

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

12 Sec. 44.47.382. HOME OWNERSHIP ASSISTANCE FUND. (a) There is  
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15 the legislature. Money in the fund shall be used solely to assist  
16 persons of lower and moderate income to purchase or construct  
17 single-family homes financed under AS 44.47.360 - 44.47.560 by  
18 providing a subsidy to those persons.

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

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

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

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

1 personal financial resources, taking into consideration

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

3 (2) the size of the family;

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

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

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

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

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

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

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

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

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

27 Sec. 44.47.410. INTEREST ON LOANS. (a) The interest rate on a  
28 mortgage loan originated or purchased in whole or in part under AS  
29 44.47.380 for a nonconforming housing that is not rural housing is

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

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

- \* Sec. 17. AS 44.47 ANNUAL REPORT is amended by adding a new section to read:

Sec. 44.47.530. To further ensure effective budgetary decision making by the legislature, the division shall present a complete accounting of the housing assistance revolving fund to the legislature by January 10 of each year. The accounting shall be audited by an independent outside auditor and shall include a full description of all mortgage loan interest and principal repayments and program receipts, including mortgage loan commitment fees, received by or accrued to the division during the preceding fiscal year, and all income earned on assets of the division during that period.

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

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

- \* Sec. 19. AS 45.88.030(c)(1) is amended to read:

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

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

5 \* Sec. 20. Delete and replace with:

6 AS 45.88.500 is amended to read:

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

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

13 (2) includes

14 (A) an alternative energy property as defined by sec.  
15 48[(1)](1)(3)(A) of the Internal Revenue Code (26 U.S.C. sec.  
16 48[(1)](1)(3)(A);

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

20 (C) any other device approved by the Commissioner of  
21 Commerce and Economic Development under AS 44.33.040(12); and

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

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

26 (3) does not include

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

29 (B) a fireplace or fireplace insert.

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

4 \* Sec. 21 AS 44.47 is amended by adding new sections to read:

5 ARTICLE 12. LOW COST AND LOW INCOME

6 MULTIPLE FAMILY HOUSING DEVELOPMENT FUND.

7 AS 44.47.630 DECLARATION OF PURPOSE. There exists in the  
8 state a serious shortage of low cost multiple family residential  
9 housing available at low rentals. There also exists in the state  
10 organizations whose purposes are to provide the housing needed to  
11 alleviate this shortage. Development work to provide this housing  
12 involves substantial expense that is often beyond the resources of the  
13 organizations.

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

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

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

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

8 (e) In this section "low cost and low income multiple family  
9 housing" means a specific work or improvement undertaken primarily to  
10 provide multiple family dwelling accommodations for low income  
11 persons. Low cost and low income multiple family housing includes the  
12 acquisition, construction, or rehabilitation of land, buildings,  
13 improvements, and other nonhousing facilities that are incidental or  
14 appurtenant to the housing.

15 \* Sec. 22. Section 69(c)(8), ch. 113, SLA 1982, is amended to read:

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

21 \* Sec. 23. Section 69(e), ch. 113, SLA 1982, is amended to read:

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

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

29 (f) A multifamily housing loan account is established in the

1 enterprise development fund of the authority (AS 44.88.155),  
2 consisting of money and other assets of the enterprise development  
3 fund that the authority deposits into it. [HOWEVER, THE AUTHORITY MAY  
4 NOT DEPOSIT PROCEEDS FROM THE SALE OF BONDS OF THE AUTHORITY INTO THE  
5 MULTIFAMILY HOUSING LOAN ACCOUNT.] The multifamily housing loan  
6 account shall be used only to purchase or originate loans for  
7 multifamily housing projects. The authority may not use proceeds from  
8 the sale of bonds of the authority to finance secondary loans for  
9 multifamily housing. Notwithstanding the provisions of AS  
10 44.88.155(d), a loan purchased or originate by the authority for the  
11 multifamily housing loan account

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

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

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

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

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

7           (h) The multifamily housing loans security fund is established  
8 in the authority. The multifamily housing loans security fund  
9 consists of money and assets appropriated or transferred to it, the  
10 income produced from its investments and holdings, and deposits that  
11 the authority may make from repayments of multifamily housing loans  
12 purchased by the multifamily housing loan account of the enterprise  
13 development fund. The assets of the multifamily housing loans  
14 security fund may be used to establish capital reserve funds to secure  
15 bonds issued in connection with the financing of multifamily housing  
16 projects. The assets of [THE PURPOSE OF] the multifamily housing  
17 loans security fund may also be used [IS] to provide a loan loss  
18 reserve for the enterprise development fund for multifamily housing  
19 loans made by the authority from the multifamily housing loan account  
20 of the enterprise development fund. The multifamily housing loans  
21 security fund is not a general asset of the authority and may not be  
22 pledged or committed in any way except as provided in this subsection  
23 [TO PROVIDE A LOAN LOSS RESERVE FOR THE ENTERPRISE DEVELOPMENT FUND  
24 FOR MULTIFAMILY HOUSING LOANS MADE BY THE AUTHORITY FROM THE  
25 MULTIFAMILY HOUSING LOAN ACCOUNT OF THE ENTERPRISE DEVELOPMENT FUND].  
26 The authority may

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

1 appropriate;

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

5 \* Sec. 26. Section 69(k)(2), ch. 113, SLA 1982, is amended to read:

6 (2) "multifamily housing project" means a specific  
7 building, structure, work, or improvement of five or more dwelling  
8 units, or a group of these buildings, structures, works, or  
9 improvements, the primary purpose of which is to provide rental  
10 dwelling accommodations and which qualifies for tax-exempt financing  
11 under sec. 103 of the Internal Revenue Code of 1954, as amended (26  
12 U.S.C. sec. 103), or sec. 11(b) of the National Housing Act of 1937,  
13 as amended [, AND WHICH IS ORIGINALLY FINANCED BEFORE JANUARY 1,  
14 1984]; "multifamily housing project" includes the acquisition,  
15 construction, or rehabilitation of land, buildings, and improvements  
16 for rental dwellings, accommodations, and other facilities that may be  
17 incidental or appurtenant to rental dwelling accommodations.

18 \* Sec. 27. AS 18.56.098(g)(2) is repealed.

19 \* Sec. 28. Section 13 of this Act takes effect January 1, 1984.

20 \* Sec. 29. Sections 1 - 12, and 14 - 26 of this Act take effect  
21 immediately in accordance with AS 01.10.070(c).

Offered: 5/20/8  
For Today's Calendar

Original sponsor: House Special Committee  
on State Loans

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

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

5 A BILL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (1) nonconforming and rural housing mortgage loans;

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

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

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

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

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

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

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

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

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

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

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

24 (2) the size of the family;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MEMORANDUM

TO: Representative Uehling  
FROM: Bill Lovell *love*  
DATE: May 30, 1983  
RE: Comparison of HB223 and HB302  
Veterans' Provisions

Based on a word-by-word analysis of both bills, the language in HB323 is identical to that in HB302, in regard to veterans' residency requirements.

/wtl

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

Original sponsor: House Special Committee  
on State Loans

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 302 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 \* Sec. 8. ~~AS 18.56 is amended by adding a new section to read:~~

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

20 \* Sec. 9. AS 44.47.380 is amended to read:

21 Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created  
22 in the Department of Community and Regional Affairs, as a revolving  
23 loan fund, the housing assistance loan fund consisting of money appro-  
24 priated to it by the legislature and repayments of principal of loans  
25 made or purchased from the assets of the fund. Interest on loans made  
26 or purchased from the assets of the fund must be transferred to the  
27 Department of Revenue for deposit in the general fund. The director  
28 shall administer the housing assistance loan fund in accordance with  
29 AS 44.47.360 - 44.47.560 and shall use the money in the housing

1 assistance loan fund to originate, purchase, or participate in the  
2 purchase of

3 (1) nonconforming and rural housing mortgage loans;

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

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

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

12 \* Sec. 10. AS 44.47 is amended by adding a new section to read:

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

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

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

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

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

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

3 (1) the amount of total income available for housing needs;  
4 (2) the size of the family;  
5 (3) the cost and condition of available housing;  
6 (4) standards established in various federal programs for  
7 determining eligibility based on income;

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

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

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

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

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

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

28 \* Sec. 13. AS 44.47.410 is amended to read:

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

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

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

15 \* Sec. 14. AS 44.47.560(5) is repealed and reenacted to read:

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

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

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

22 \* Sec. 15. AS 45.88.500(2) is amended by adding a new subparagraph to  
23 read:

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

26 \* Sec. 16. AS 18.56.098(g)(2) and AS 44.47.385 are repealed.

27 \* Sec. 17. Section 10 of this Act takes effect January 1, 1984.

28 \* Sec. 18. Sections 1 - 9, and 11 - 16 of this Act take effect immedi-  
29 ately in accordance with AS 01.10.070(c).

# HB 323

BILL HB0323  
PAGE 00733  
DATE 04/05/83  
CHAMBER HOUSE  
TEXT HOUSE BILL NO. 323 by the State Affairs Committee, entitled:  
"An Act relating to residency and residency requirements; and providing for an effective date."  
was read the first time and was referred to the State Affairs and Judiciary Committees.

BILL HB0323  
PAGE 00943  
DATE 04/20/83  
CHAMBER HOUSE  
TEXT The State Affairs Committee has had HOUSE BILL NO. 323 (relating to residency and residency requirements; effective date) under consideration, recommends it be replaced with

BILL HB0323  
PAGE 00944  
DATE 04/20/83  
CHAMBER HOUSE  
TEXT COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 323 (State Affairs) (same title), and reports it back as follows: Abood (Chairman), Cowdery, Furnace and Larson recommend do pass; M. M. Miller has no recommendation. The committee further recommends HB 323 be referred to the Finance Committee. A fiscal note and two zero fiscal notes were attached. HB 323 was referred to the Judiciary Committee. The fiscal note appears in House Journal Supplement No. 43. The Speaker stated that HB 323 would have a further referral to the Finance Committee after the Judiciary Committee.

BILL HB0323  
PAGE 01349  
DATE 05/14/83  
CHAMBER HOUSE  
TEXT The Judiciary Committee has had HOUSE BILL NO. 323 (relating to residency and residency requirements; effective date) under consideration, recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 323 (Judiciary) (same title), and reports it back as follows: Bussell (Chairman), Barnes, Liska and Hayes recommend do pass. Clocksin and Malone have no recommendation. A new fiscal note was attached. HB 323 was referred to the Finance Committee. New fiscal note appears in House Journal Supplement No. 61.

The Finance CS repealed, rather than amended from 30 years to 1 year, AS 16.05.400(b) - free sport fishing, hunting trapping licenses for people over 60.  
Zero fiscal note.

COMMITTEE REPORT  
HOUSE

5/26

Rules

(11)

FURTHER:

5/14/83

Date: 5/25/83

Mr. Speaker:

The Committee on FINANCE has had HB 323

✓ "An Act relating to residency and residency requirements; and providing for an effective date."

under consideration and reports it back as follows:

- [ ] do pass [ ] do not pass
- [ ] do pass with attached amendments(s)
- [X] replace with CS for HB 323 (FN) [X] same title [ ] new title
- and recommends do pass
- [ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note
- [ ] reports it back without recommendation [X] Zero Fiscal Note Attached
- [ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Sam Westinger  
Jim Duncan  
Jim Ward  
Dean Spilber  
Paul F. Zinkoff  
Bill Simpson  
John Lindauer  
Larry Martin  
Robert H. Adams  
R. Bettisworth

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Robert H. Adams  
CHAIRMAN

April 20, 1983

HB  
323

## IV. ANALYSIS (HB 323) Page 2 of 2

Three thousand is needed to initially design and print applications and the permanent I.D. card and to order enough laminating jackets for the fiscal year. Each subsequent fiscal year, we will have the cost of additional laminating jackets. The equipment cost is for three laminating machines; one for the Public Services Counter in Anchorage, one for Fairbanks, and one for Juneau. The travel expenditure is for the Records & Licensing Supervisor to go to Anchorage and Fairbanks and instruct the counter employees.

According to data received from the Department of Labor and the Committee for Older Alaskans, the percentage rate of senior citizens in our state is fairly stable from year to year.

Using FY 82 as the base, it is estimated that there will be a six percent increase in resident sales every year. It is also estimated that three percent of the resident sales are sold to residents sixty years or older.

We are recommending that this bill be amended to include an effective date of January 1, 1984, because license changes traditionally take place at the beginning of a calendar year. If implemented in the middle of the year, some licensees who could be eligible would have already purchased their license. Middle of the year implementation would also require special printing and mailing costs. Time is also needed to properly inform the public of the new law so that all who are eligible can apply.

Assuming that the bill goes into effect 1/1/84, there will be no effect in FY 83. There will be losses to both the Sport Fish and Game Funds in each subsequent fiscal year. FY 84 has a much smaller loss because only half of the fiscal year will be affected.

April 20, 1983

HB  
323

## FISCAL NOTE

Revision Date: 1983

## I. REQUEST

BT/Resolution No: HB 323 Page 1 of 2  
Title: Residency & Residency Requirements  
Sponsor: House State Affairs  
Requestor: House State Affairs

## II. FISCAL DETAIL

Agency Affected: Revenue  
Program Category Affected: Coll. & Mgt.  
SBU, Program of Subprograms Affected:  
Administration & Support

## EXPENDITURES/REVENUES: (Thousands of Dollars)

|                          | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| OPERATING                |       |       |       |       |       |       |
| 100 PERSONAL SERVICES    | -     | -     | -     | -     | -     | -     |
| 200 TRAVEL               | -     | 1.0   | -     | -     | -     | -     |
| 300 CONTRACTUAL          | -     | -     | -     | -     | -     | -     |
| 400 COMMODITIES          | -     | 3.0   | 1.3   | 1.4   | 1.5   | -     |
| 500 EQUIPMENT            | -     | 2.0   | -     | -     | -     | -     |
| 600 LANDS & STRUCTURES   | -     | -     | -     | -     | -     | -     |
| 700 GRANTS, CLAIMS, ETC. | -     | -     | -     | -     | -     | -     |
| TOTAL OPERATING          | -0-   | 6.0   | 1.3   | 1.4   | 1.5   | -     |

## CAPITAL

## REVENUE

## FUNDING: (Thousands of Dollars)

|                        | FY 83 | FY 84  | FY 85  | FY 86  | FY 87  | FY 88 |
|------------------------|-------|--------|--------|--------|--------|-------|
| GENERAL FUND           | -0-   | 6.0    | 1.3    | 1.4    | 1.5    | -     |
| FEDERAL FUNDS          | -     | -      | -      | -      | -      | -     |
| OTHER (Specify Source) | -     | -      | -      | -      | -      | -     |
| Sport Fish Fund        | -0-   | (18.2) | (38.5) | (40.8) | (43.4) | -     |
| Game Fund              | -     | (14.1) | (30.0) | (31.8) | (33.6) | -     |

## POSITIONS:

|           | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 |
|-----------|-------|-------|-------|-------|-------|-------|
| FULL-TIME | -     | -     | -     | -     | -     | -     |
| PART-TIME | -     | -     | -     | -     | -     | -     |
| TEMPORARY | -     | -     | -     | -     | -     | -     |

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

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

Prepared By: Cecilia A. Wagener Phone: 465-2376  
Division: Public Services Date: 4/13/83  
Approved by Commissioner: Robert D. Heath Date: 4/14/83  
Department: Revenue

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CS HB 323(SA) (Page 2 of 2)

The 1980 Census showed 19,440 Alaskans ages 60 and over. It also showed 32,260 Alaskans aged 55 and over. Assuming the age spread is even, 2524 Alaskans will reach age 60 each year between 1980 and 1985. Population estimates adding the Alaskans reaching 60 and an overall 5% population growth would be as follows:

|       |        |
|-------|--------|
| FY 84 | 28,573 |
| FY 85 | 31,223 |
| FY 86 | 33,873 |

Using a conservative estimate, assume that 15% of the population fishes and 110 hunts, we would forego the following revenue.

|       | Sport Fish<br>\$10. license | Game<br>\$12. license |
|-------|-----------------------------|-----------------------|
| FY 84 | 42.9                        | 37.7                  |
| FY 85 | 46.8                        | 41.2                  |
| FY 86 | 50.8                        | 44.7                  |

May 14, 1983

No. 61

HB  
323

FISCAL NOTE (Revision Date May 3, 1983)

(Page 1 of 2)

- I. REQUEST  
 Bill/Resolution No.: CS HB 323 (SA)  
 Title: "Residency & Residency Requirements"  
 Sponsor: State Affairs Committee  
 Requestor: House Judiciary Committee
- II. FISCAL DETAIL  
 Agency Affected: FISH & GAME  
 Program Category Affected: Fisheries & Game  
 BRU/Program or Subprogram(s) Affected: Sport Fisheries and Game

| EXPENDITURES/REVENUES: (Thousands of Dollars) |       |        |        |        |       |       |
|-----------------------------------------------|-------|--------|--------|--------|-------|-------|
|                                               | FY 83 | FY 84  | FY 85  | FY 86  | FY 87 | FY 88 |
| OPERATING                                     |       |        |        |        |       |       |
| 100 PERSONAL SERVICES                         |       |        |        |        |       |       |
| 200 TRAVEL                                    |       |        |        |        |       |       |
| 300 CONTRACTUAL                               |       |        |        |        |       |       |
| 400 COMMODITIES                               |       |        |        |        |       |       |
| 500 EQUIPMENT                                 |       |        |        |        |       |       |
| 600 LAND & STRUCTURES                         |       |        |        |        |       |       |
| 700 GRANTS, CLAIMS, ETC                       |       |        |        |        |       |       |
| TOTAL OPERATING                               |       |        |        |        |       |       |
| CAPITAL                                       |       |        |        |        |       |       |
| REVENUE                                       | -0-   | (80.6) | (88.0) | (93.3) |       |       |
| FUNDING: (Thousands of Dollars)               |       |        |        |        |       |       |
| GENERAL FUND                                  |       |        |        |        |       |       |
| FEDERAL FUNDS                                 |       |        |        |        |       |       |
| OTHER (Specify Source)                        |       |        |        |        |       |       |
| POSITIONS:                                    |       |        |        |        |       |       |
| FULL-TIME                                     |       |        |        |        |       |       |
| PART-TIME                                     |       |        |        |        |       |       |
| TEMPORARY                                     |       |        |        |        |       |       |

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

General Fund - In light of declining General Fund revenue, this may be very difficult.

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

Prepared By: Beverly Reams  
 Division: Administration  
 Approved by Commissioner: Don W. Collinsworth  
 Department: FISH & GAME

Phone: 465-4120  
 Date: May 2, 1983  
 Date: 5-2-83

## Distribution:

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3/8/8

**AK Residency  
Requirements  
(rewriting  
current laws)**

**HOUSE BILL NO. 323**, by the State Affairs Committee. Re-writes current Alaska residency requirements to conform with the recent U.S. Supreme Court decision regarding residency in relation to distribution of the Permanent Fund dividends. Adds a new section to AS 01.10 (General Provisions. Laws and Statutes) setting out new residency requirements:

"Residency. (a) A person establishes residency in the state by being physically present in the state with the intent to remain in the state indefinitely and to make a home in the state. (b) A person demonstrates the intent required under (a) of this section (1) by maintaining a principal place of abode in the state for at least 30 days or for a longer period if a longer period is required by law or regulation; and (2) by providing other proof as may be required. . .that may include proof that the person is not claiming residency outside the state or obtaining benefits under a claim of residency outside the state. (c) A person who establishes residency in the state remains a resident during an absence from the state unless during the absence the person establishes or claims residency in another state, territory or country, or performs other acts or is absent under circumstances that are inconsistent with the intent required under (a) of this section to remain a resident of this state."

Changes residency requirements in various sections of the statutes:

--AS 08.04.110 (Accountancy Act of 1960). Would no longer require an applicant for a certified public accountant certificate to be a state resident.

--AS 08.08.207(a) (Alaska Integrated Bar Act. Law Clerks). Would no longer require a law clerk who desires to qualify as a general applicant for admission to the Alaska Bar to be a state resident in order to do so.

--AS 08.88.171 (Real Estate Brokers and Salesmen. Entitlement to License). Would no longer require a person to be a state resident in order for that person to be entitled to a real estate broker license, an associate real estate broker license, and for a real estate salesman license.

--AS 09.55.130 (Code of Civil Procedure. Special Actions and Proceedings. Residence Requirements for Action to Declare Marriage Void). Changes statute to allow a state resident to bring an action to declare a marriage void at any time (current law allows state residents to divorce at any time, however in order to bring a divorce action for marriages solemnized elsewhere, the plaintiff must be a resident for at least one year before the commencement of an action).

--AS 16.05.400(b) (Fish and Game Code. Persons Exempt from License Requirement). Would not require a resident who is 60 years of age or more who has been a state resident for one year or more to have a fishing, hunting or trapping license (current law does not require a license of a resident who is 60 years of age or more who has lived in the state for 30 consecutive years).

--AS 16.35.130 (Fish and Game. Predatory Animals. Bounty Not to be Paid). Would allow the payment of a bounty only to a person who maintains a permanent place of abode inside the game management unit or part of the unit in which the animal was taken, or to a person who also maintains legal residence in the state (currently allows payment of a bounty to a person who for the immediately preceding year has maintained a permanent place of abode inside the game management unit or part of the unit, or to a person who has continually maintained his legal residence in the state).

--AS 18.56.101(1)(B) (Alaska Housing Finance Corporation. Eligibility for Veterans' Interest Rates). A veteran who was injured or disabled who, not being a bona fide resident of the territory or state at the time of entry into the service, has been a resident of the territory or state for at least one year at the time of the loan application would be eligible for veterans' interest rates (currently that veteran must also have been a resident of the territory or state for at least five years).

--AS 21.27.090(a)(2) (Insurance. Agents, Brokers, Solicitors, and Adjusters. Agent and Broker Qualifications). Would require a person to be a bona fide resident before issuance of an agent or broker license (currently the applicant must be a bona fide resident for a period of not less than one year of continuous residency, immediately before issuance of the license).

--AS 26.15.130(a) (Military Affairs and Veterans. Veterans Loans. Eligibility for Loans). Would require a veteran who was not a state resident at the time of induction to be a resident for one or more years in order to be eligible to apply (currently must be a resident for five years in order to be eligible).

--AS 38.08.030(a)(2) (Public Lands. Homesites. Applications for Homesite Entry; Fees). In order to qualify for a homesite permit, an applicant shall submit proof that the applicant is a resident at the time of application, and has been a resident for not less than one year immediately preceding the date the application was submitted (currently must be a resident at time of application and have been a state resident for not less than three years immediately preceding the date of application).

--AS 44.81.210(a)(20) (Commercial Fishing and Agriculture Bank. Powers of the Bank). The Bank may make loans to an individual commercial fisherman who has been a state resident for a continuous period of two years immediately preceding the date of application (currently five years). Fisherman must also have had a crewmember, commercial fishing license or a permit for any one of the past five years and have actively participated in the fishery during that period.

The bill repeals various sections of the statutes relating to residency requirements:

--AS 08.54.110(2); 140(2); and 142(a)(1)--Qualifications for registered guide, assistant guide and transporter license. Subsections repealed state that a person must be a state resident in order to qualify for a license.

--AS 14.43.130--Student loans selection criteria.

--AS 18.55.470(4)--Housing, Urban Renewal and Planning Assistance. Subsection repealed defines "resident" under Article 2, Moderate Cost and Rental Housing.

--AS 21.27.220(1)--Insurance. Repeals residency requirement for qualification for a license as a solicitor.

--AS 29.63.065(d)(1)--Municipalities. Special Assessments and Service Areas. Exemption. Repeals definition of "resident".

--AS 38.05.058--Land Discount Program. Repeals entire program (the program allows discounts to residents, based on length of residency, for land sold by the state in the land disposal programs. The discount is at the rate of five percent of the purchase price of the land for each full year that the purchaser has been a state resident, up to 50 percent of the total. Allows a discount to veteran's of up to 75% of the purchase price).

--AS 38.08.040(b)--Homesites. Issuance of Entry Permit. Repeals section giving priority of award of entry permits based on the number of years of residency (if the number of applicants qualified for homesite entry exceeds the number of available homesites offered, or if several applicants apply and qualify for the same homesite, priority is given to the person who can show proof of the longest residency in the state).

--AS 39.25.155(g)--State Personnel Act. Vocational Substitution Program. Repeals definition of "resident" for purposes of the Vocational Substitution program (a program wherein state residents who live in remote locations can qualify for employment by the state if they do not meet minimum educational or experience criteria).

--AS 43.26.095(b)(3)--Industrial Incentive Tax Credits. Extracting Industries. Subsection repealed states: "(b) In this section . . . (3) 'resident,' at the end of the first year of tax credit, means a person who has been domiciled in Alaska for at least one year immediately before the granting of the tax credit to the business; 'resident,' at the end of the second and third year of tax credit, means a person who has been domiciled in Alaska for at least one year either immediately before the granting of the tax credit to the business or after the granting of the tax credit to the business."

Provides Act takes effect immediately.

Introduced April 5 and referred to State Affairs, Judiciary.

AK Residency  
Requirements  
(rewriting  
current laws)

HOUSE BILL NO. 323, (see page 471). Reported back to the House April 20 by State Affairs with the committee recommending it be replaced with State Affairs Committee Substitute and do pass. Concurring: Abood (Chairman), Cowdery, Furnace and Larson. Not concurring: M.M. Miller has no recommendation. The Committee further recommended HB 323 be referred to Finance. The Speaker added the referral to Finance after Judiciary. To Judiciary.

The State Affairs substitute deletes section of the bill that would have required a commercial fisherman to have been a state resident for a continuous period of two years immediately preceding the date of application for a loan for a limited entry permit.

AK Residency  
Requirements  
(rewriting  
current law)

HOUSE BILL NO. 323, (see pages 471;602). Reported back to the House May 14 by Judiciary recommending it be replaced with a Judiciary substitute and that it do pass. Concurring: Bussell (Chairman), Barnes, Liska and Hayes. Not concurring: Clocksin and Malone have no recommendation. To Finance.

The Judiciary substitute makes the following additions and changes:

--would no longer require an applicant for a temporary certificate as a CPA to meet the residence requirement in order to receive that certificate (amends AS 08.04.260, Accountancy Act of 1960. Temporary Certificate as Certified Public Accountant).

--would no longer require an applicant to have completed at least one year of apprenticeship as a "resident" trainee under a licensed embalmer (would still be required to have completed at least one year of apprenticeship as a "trainee" under a licensed embalmer). Deletes reference to "resident" in the definition of "trainee" (amends AS 08.42.050(a)(4), Morticians, License Required for the Practice of Mortuary Science, and AS 08.42.110(4), Morticians, Definitions).

--changes eligibility requirements for veterans' interest rates under the Alaska Housing Finance Corporation (AS 18.56.101(1)(B)). An eligible veteran would be one "... who served in the armed forces of the United States for 90 days or more, or whose service was for less than 90 days because of injury or disability incurred in the line of duty, after April 6, 1917, whose discharge was under honorable conditions; (2) the widow or widower of a member of the armed forces or an eligible veteran if the member or veteran served in the armed forces for at least 90 days after April 6, 1917 and the veteran's discharge was under honorable conditions; (3) a person who has served for not less than five years in the Alaska Army National Guard, the Alaska Air National Guard, the Alaska Naval Militia, or a reserve unit of the United States armed forces if the reserve unit required, as a minimum, one weekend each month of duty and 15 consecutive days of active duty training each year and whose discharge was under honorable conditions."

Note: under current law the AHFC defines a veteran as a person who served in the armed forces of the U.S. for 90 days or more, or whose service was for less than 90 days because of injury or disability incurred in the line of duty, after April 6, 1917, who at the time of induction into the service was a state resident for not less than one year immediately before his induction, and have returned to the territory or state within one year after discharge as a resident with the intention of remaining in the territory or state, or who, not being a bona fide resident at the time of entry into the service, has been a resident of the territory or state for at least one year at the time of the loan application and has been a resident to the territory or state for at least five years. Widows or widowers are eligible if the member or veteran was a resident of the territory or state for one year before induction into the service. Language relating to service in the National Guard, Air National Guard, Naval Militia or reserve units currently states that an eligible veteran is a person who has served in the Alaska Army National Guard . . . or a reserve unit of the United States armed forces in Alaska if the reserve unit required, as a minimum, one weekend each month of duty and 15 consecutive days of active duty training each year for not less than five years and whose discharge was under honorable conditions." Also see HB's 180 and 358--same subject addressed.

--would not require that a veteran have been a resident of the territory or state for at least five years in order to receive the veterans' burial allowance (AS 26.10.080(d)(1)(B), definition of "veteran").

--would allow the Commercial Fishing and Agriculture Bank (CFAB) to make loans to an individual commercial fisherman who has been a state resident for a continuous period of two years (currently five years) immediately preceding the date of application and who has had a crewmember or commercial fishing license or a limited entry permit for the year immediately preceding the date of application and any other two (currently "any one") of the past five years, and who has actively participated in the fishery during that period.

Repeals:

--AS 08.24.110(1): "Collection Agencies. Qualification for Operator's License. (a) To qualify for an operator's license, the applicant shall: (1) have been a resident of this state continuously for at least one year before the time of application; . . ."

--AS 08.54.110(1): "Guides. Qualification for Registered Guide License. A person is entitled to be licensed as a registered guide if the person (1) is 21 years of age or more; . . ."

--AS 08.54.240(3)(B): "Guides. Definitions. In this chapter . . . (3) 'resident' means a person who . . . (B) has not claimed residency in another state for the immediately preceding 12 months."

Original sponsor: House Special Committee  
on State Loans

IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 302 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 \* Sec. 8. AS 18.56 is amended by adding a new section to read:

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

20 \* Sec. 9. AS 44.47.380 is amended to read:

21 Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created  
22 in the Department of Community and Regional Affairs, as a revolving  
23 loan fund, the housing assistance loan fund consisting of money appro-  
24 priated to it by the legislature and repayments of principal of loans  
25 made or purchased from the assets of the fund. Interest on loans made  
26 or purchased from the assets of the fund must be transferred to the  
27 Department of Revenue for deposit in the general fund. The director  
28 shall administer the housing assistance loan fund in accordance with  
AS 44.47.360 - 44.47.560 and shall use the money in the housing

1 assistance loan fund to originate, purchase, or participate in the  
2 purchase of

3 (1) nonconforming and rural housing mortgage loans;

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

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

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

12 Sec. 10. AS 44.47 is amended by adding a new section to read:

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

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

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

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

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

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

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

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

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

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

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

\* Sec. 13. AS 44.47.410 is amended to read:

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

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

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

15 \* Sec. 14. AS 44.47.560(5) is repealed and reenacted to read:

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

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

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

22 \* Sec. 15. AS 45.88.500(2) is amended by adding a new subparagraph to  
23 read:

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

26 \* Sec. 16. AS 18.56.098(g)(2) and AS 44.47.385 are repealed.

27 \* Sec. 17. Section 10 of this Act takes effect January 1, 1984.

\* Sec. 18. Sections 1 - 9, and 11 - 16 of this Act take effect immedi-  
ately in accordance with AS 01.10.070(c).

13-1189  
Asper  
4/13/83 ✓

1 IN THE HOUSE

BY RINGSTAD

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to alternative technology and energy  
7 loans."

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

9 \* Section 1. AS 45.88.500(2) is amended by adding a new subparagraph to  
10 read:

11 (E) a steam, hot water, or ducted hot air central  
12 heating system that uses solid fuel.

Original sponsor: Special Committee  
on State Loans

5/4/83  
BY THE HOUSE SPECIAL  
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 302 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

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

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

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

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

22 \* Sec. 3. AS 18.56.096 is amended by adding a new paragraph to read:

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

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

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

6 (1) The interest rate on the first \$100,000 [\$90,000] of a  
7 mortgage loan purchased with the proceeds of an [THE FIRST] issue of  
8 taxable bonds of the corporation is three percent less than [10 PER-  
9 CENT OR] the cost of funds of that issue, except that

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

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

15 \* Sec. 5. AS 18.56.098(g)(3) is amended to read:

16 (3) An interest rate determined under this subsection on  
17 the first \$100,000 [\$90,000] of a mortgage loan that is not purchased  
18 from the proceeds of bonds that are qualified veterans' mortgage bonds  
19 under the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103(A)), as  
20 amended, shall be reduced by one percentage point if the loan is made  
21 to an eligible veteran under AS 18.56.101.

22 \* Sec. 6. AS 18.56.098(g)(4) is amended to read:

23 (4) The interest rate for the amount of a mortgage loan  
24 purchased under (a) of this section that exceeds \$100,000 [\$90,000] is  
25 equal to the cost of funds to the corporation attributable to that  
26 part of the loan.

27 \* Sec. 7. AS 18.56.098(g)(5) is amended to read:

28 (5) The interest rate on the first \$100,000 of a mortgage  
29 loan purchased with [FROM] money that is not the proceeds of either

1 taxable or tax-exempt bonds [APPROPRIATED TO THE CORPORATION] is the  
2 rate the corporation determines is appropriate by application of the  
3 provisions of (1) [- (4)] of this subsection. [THE RATE MAY BE BASED  
4 ON AN ESTIMATE OF THE COST OF FUNDS OF A PROPOSED ISSUE OR ISSUES OF  
5 BONDS.]

6 \* Sec. 8. AS 18.56.098(g)(6) is amended to read:

7 (6) The interest rate on the first \$100,000 [\$90,000] of a  
8 mortgage loan purchased from the proceeds of bonds that are exempt  
9 from taxation under the Mortgage Subsidy Bond Tax Act of 1980 (26  
10 U.S.C. 103(A)), as amended, other than bonds that constitute qualified  
11 veterans' bonds under (1) of this section, is 10 percent or the cost  
12 of the funds, whichever is less. A higher or lower interest rate shall  
13 be established on the entire loan amount if required under the Mort-  
14 gage Subsidy Bond Tax Act.

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

16 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The  
17 following persons are eligible veterans for the purposes of AS 18.56.-  
18 098(g) and (h):

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

23 [(A) WHO AT THE TIME OF INDUCTION INTO THE SERVICE WAS  
24 A RESIDENT OF THE TERRITORY OR STATE, WHO HAD BEEN A RESIDENT FOR  
25 NOT LESS THAN ONE YEAR IMMEDIATELY BEFORE HIS INDUCTION, AND WHO  
26 RETURNED TO THE TERRITORY OR STATE WITHIN ONE YEAR AFTER DIS-  
27 CHARGE AS A RESIDENT WITH THE INTENTION OF REMAINING IN THE  
28 TERRITORY OR STATE; OR

29 (B) WHO, NOT BEING A BONA FIDE RESIDENT OF THE

1 TERRITORY OR STATE AT THE TIME OF ENTRY INTO THE SERVICE, HAS  
2 BEEN A RESIDENT OF THE TERRITORY OR STATE FOR AT LEAST ONE YEAR  
3 AT THE TIME OF THE LOAN APPLICATION AND HAS BEEN A RESIDENT TO  
4 THE TERRITORY OR STATE FOR AT LEAST FIVE YEARS; AND

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

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

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

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

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

14 (3) a person who has served for not less than five years in  
15 the Alaska Army National Guard, the Alaska Air National Guard, [OR]  
16 the Alaska Naval Militia, or [WHO HAS SERVED IN] a reserve unit of the  
17 United States armed forces [IN ALASKA] if the reserve unit required,  
18 as a minimum, one weekend each month of duty and 15 consecutive days  
19 of active duty training each year [FOR NOT LESS THAN FIVE YEARS] and  
20 whose discharge was under honorable conditions.

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

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

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

28 Sec. 18.56.205. RESIDENTIAL MORTGAGE ASSISTANCE FOR MEMBERS OF  
29 THE ALASKA DELEGATION TO CONGRESS. The corporation may extend the

1 special mortgage loan purchase program (AS 18.56.098) to purchase a  
2 mortgage loan made for the purchase or rehabilitation of a residence  
3 located in the District of Columbia or within 50 miles of the District  
4 of Columbia to a member of the United States Congress from Alaska if  
5 the member is otherwise qualified for assistance under the special  
6 mortgage loan purchase program.

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

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

19 (1) nonconforming and rural housing mortgage loans;

20 (2) loans made for building materials for nonconforming and  
21 rural housing;

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

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

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

29 Sec. 44.47.382. HOME OWNERSHIP ASSISTANCE FUND. (a) There is