SCOMM

#34:28

Alaska State Legislature

HOUSE CALENDAR

OFFICIAL BUSINESS OF THE HOUSE

ONE HUNDRED FIFTEENTH DAY

Wednesday

Reverend Jon Paden
Church of Christ

May 2, 1984
Convenes: 10:00 a.m.

am #1 31-2
am #2 13-19

SECOND READING OF HOUSE BILLS

HB 347 "An Act relating to the licensing of practitioners of naturopathic medicine; and providing for an effective date."
24-7
-HESS report w/CS(HESS), same title, p. 2642
Zero Fiscal Note
-L&C report w/CS(L&C), new title, p. 3098:
Licensing of naturopaths; effective date
New Fiscal Note, House Supplement No. 117
-~~Finance report~~ w/CS(Fin), new title, p. 3454:
Licensing of naturopaths; effective date 21-11 not. R
Zero Fiscal Note

HB 509 "An Act relating to aviation fuel refiners; and providing for an effective date."
25-8
-L&C report w/CS(L&C), new title, p. 3099:
Aviation fuel suppliers; effective date
Zero Fiscal Note (gross-negligence ?)
-Judiciary report w/CS(Jud), new title, p. 3288:
Aviation fuel suppliers; effective date 31-2 R

HB 536 "An Act relating to continuing appropriations for bond debt service; making special appropriations from certain defunct revolving loan funds; and providing for an effective date."
32-1
-Governor's letter, p. 2333
Two Zero Fiscal Notes w/analysis, H. Suppl. 85
-Loans report w/CS(Loans), new title, p. 2506:
Making special annual appropriations from certain inactive revolving loan funds; effective date
Approved Fiscal Notes in H. Supplement 85
-Finance report/w/CS(Fin), new title, p. 3486:
Continuing appropriations for bond debt services; making special annual appropriations from certain revolving loan funds; effective date no obj. R

HB 564 "An Act relating to use of permanent fund dividends to satisfy debts owed to the state; and providing for an effective date."
32-1
-State Affairs report w/CS(SA), same title, p. 2822
Fiscal Note, House Supplement No. 103
-Finance report w/CS(SA), p. 3236
New Fiscal Note, House Supplement No. 123

What debts? Fin letter of Intent addressed implementation

H(Fin) Letter of Intent p. 3237
Hearing officer, etc. (no obj.) R

Continued next page

am #1
25-7

am #2
13-20

32-1

HB 663 "An Act relating to the Alaska Housing Finance Corporation; and providing for an effective date."
-Governor's transmittal letter, p. 2567
Zero Fiscal Note
-Loans report w/CS(Loans), same title, p. 3131
-Finance report w/CS(Fin), new title, p. 3519:
Certain state housing loan programs; effective date
no obj.

32-0

HB 664 "An Act making appropriations to the Alaska Housing Finance Corporation; and providing for an effective date." no obj.
-Governor's transmittal letter, p. 2567
Zero Fiscal Note w/Analysis, H. Supplement 92
-Loans report, p. 2994
-Finance report w/CS(Fin), same title, p. 3514

33-0

HB 665 "An Act relating to the issuance of tax-exempt, state-guaranteed revenue bonds by the Alaska Housing Finance Corporation to finance mortgages for qualifying veterans under AS 18.56; and providing for an effective date."
-Governor's transmittal letter, p. 2567
Fiscal Note, House Supplement No. 92
-Loans report, p. 3102
-Finance report, p. 3514
Zero Fiscal Note

HB 668 "An Act relating to child support enforcement and the reporting of payment information on delinquent obligors to credit bureaus or lending institutions; and providing for an effective date."
-Governor's transmittal letter, p. 2572
Zero Fiscal Note w/Analysis, H. Supplement No. 92
-Judiciary report w/CS(Jud), new title, p. 3236:
Child support enforcement; effective date
Zero Fiscal Note
-Finance report w/CS(Fin), new title, p. 3487:
Child support enforcement; effective date
Zero Fiscal Note

SECOND READING OF SENATE RESOLUTIONS

SB 519 "An Act relating to state support for education; and providing for an effective date."
-HESS report, p. 3354
-Finance report w/HCS(Fin), same title, p. 3512
Zero Fiscal Note

CITATIONS

*Honoring - Mt. Eccles Elementary School - Problem Solving Team by Representative Goll

*Honoring - Annette Island Schools - Problem Solving Team by Representative Wendte, Goll

*Honoring - Cordova Junior-Senior High School - Problem Solving Team by Representative Goll

HOUSE

DAILY COMMITTEE ANNOUNCEMENTS

WEDNESDAY 05/02/84

FINANCE		CAPITOL 519	8:00 AM
	CSSB 331(JUD)	PREPARATION OF THE EXECUTIVE BUDGET	
	SB 409	SUPPL APPROPS/TRANSFERS AMONG APPROPS (PENDING REFERRAL TO COMMITTEE)	
	HB 626	CRIME OF CONSPIRACY	

HEALTH, EDUCATION & SOCIAL SERVICES — CAPITOL 118 — 1:15 PM

CSSB 346(JUD)AM TREATMENT OF MENTALLY ILL PERSONS
TELECONFERENCE PRESENTATION BY DR. LINUS PAULING,
INTERNATIONALLY REKNOWNED SCIENTIST AND HUMANITARIAN

JUDICIARY — CAPITOL 124 — 1:30 PM

*HB 718 CLAIMS OF STATE LAND IN CERTAIN RIGHTS-OF-WAY
HJR 52 PROPOSED AMENDMENT FOR BIENNIAL STATE BUDGET

LABOR AND COMMERCE — BEHRENDS 209 — 8:15 AM

HB 457 THIS HEARING HAS BEEN CANCELLED.

STATE AFFAIRS — CAPITOL 102 — 1:15 PM

COMMITTEE WORK SESSION

* FIRST PUBLIC HEARING

Anch. Times

AHFC fund runs out; rates to jump

by Annette Taylor
Times Business Writer

Alaska Housing Finance Corp. ran out of money Thursday for home loans and will be unable to commit to an interest rate on new home purchases until Tuesday or Wednesday.

Prospective homebuyers, who applied for home loans during the past four to six weeks, are no longer guaranteed the 10 percent interest rate for the first $90,000 borrowed under the standard AHFC loan program.

AHFC will set new interest rates for all programs next week following a $100 million taxable bond sale. AHFC finance director Mark Cameron said he expects new interest rates to be as much as 1½ percent higher.

That would mean an additional $126 a month in mortgage payments on a $110,000 loan.

Prospective buyers, who do not yet have AHFC loan approval and only marginally qualified for a loan at 10 percent interest, may lose their chance to buy, Cameron said.

AHFC, which finances about 85 percent of all home loans in the state, had fully allocated by about noon Thursday all of its money raised through the sale of taxable bonds.

"We have another bond sale Tuesday, so we were pretty close to estimating how long the last issue would last," he said.

The last taxable bond sale was Feb. 1 when the corporation sold $100 million in bonds on the European market at 11.75 percent. Including interest and expenses incurred to issue the bonds, the total costs of funds to AHFC was at 13.05 percent.

Money raised from all AHFC bond sales is used to buy mortgages from private lenders. The state subsidizes loans up to $90,000 to a minimum of 10 percent interest for non-veterans and 9 percent for veterans. But the differential can be no more than 3 percent between the cost of funds and the rate charged homebuyers. The state does not subsidize any amount over $90,000.

Interest rates under all AHFC programs are tied to those charged under the standard, non-veterans program open to all qualifying state residents.

Although money remains in the veterans' home loan program, "we cannot commit to rate in the tax-exempt program until we know the new rate under the taxable program," Cameron said.

Prospective buyers applying under the Home Ownership Assistance program, which begins loans at 6 percent interest and increases the rate as the buyers' incomes rise, will be insullated from the anticipated rising interest rates, he said.

AHFC notified state banks after lunch Thursday that the 10 percent interest rate was effective only until 3:30 p.m. Cameron said Thursday afternoon that bank couriers were lined up at the AHFC office, hoping to stamp their packages of loan applications in the time clock by the deadline.

Cameron said banks take four to six weeks to process loan applications before sending them to AHFC for approval.

Prospective buyers, who already have AHFC approval for their loans, are not affected.

AHFC ran out of money for the veterans' home loan program in November 1983 after voters approved a $500 million state-guaranteed, tax-exempt bond issue to support the program. In that case, interest rates remained the same.

"It's been quite a while since we had an interruption in the taxable program," Cameron said. "When it's happened before, we've usually expected rates to go down. This time, it's going to go the other way."

AHFC bond sale will be at 2 p.m. Tuesday if the bonds are offered on Wall Street. If the bonds are offered on the European market, the sale will be at 11 p.m. Tuesday, which is 8 a.m. Wednesday London time.

AHFC will go to the European market if going interest rates Friday or Monday are lower there than they are on Wall Street.

Alaska was the first state in the country Feb. 1 to offer housing bonds to European investors.

Anchorage Daily News
May 5, 1984

Mortgage loan rate going up

By JIM ERICKSON
Daily News reporter

More th[illegible] 1,000 prospective home buyers whose loans are pending may find their expected monthly payments inflated an average of $126 a month because of rising interest rates in world bond markets.

The Alaska Housing Finance Corp., which subsidizes almost all home loans in the state, effectively ran out of cash for its main program at 3:30 p.m. Thursday.

And AHFC officials said a federal ruling Friday has forced a week's postponement of a $100 million bond sale that would have replenished the corporation's coffers.

Meanwhile, interest rates on bonds are expected to continue the climb they began about two months ago, said Mark Cameron, AHFC finance director.

Instead of most home buyers getting a 10 percent interest rate on the first $90,000 of their loans under the state subsidy program, rates likely will rise to 11.5 percent when the bonds are sold May 15, Cameron said.

See Back Page, AHFC

AHFC loan rates going up

Continued from Page A-1

Homebuyers will need to make about $450 a month more to qualify for a $110,000 loan at the new rate, he said. Buyers who would have barely qualified at the old rate could be priced out of their loan.

Higher than expected demand for its money caused the corporation to run out of cash before it could get back to the bond market, AHFC officials said.

Home buyers whose loan applications did not reach the AHFC office before Thursday afternoon cannot be guaranteed the 10 percent rate, Cameron said.

The corporation buys from lending institutions about 85 percent of all home loans made in Alaska, and subsidizes the interest rates. Interest rates on loan amounts above $90,000 are not subsidized.

Interest rates for mobile home loans and veterans home loans are expected to rise to 11.5 percent and 10.5 percent, respectively. Those programs still have funds, Cameron said, but interest rates are tied to the bond costs under the main loan program.

The loan program for low-income home buyers will maintain its 6 percent interest rate.

AHFC still will accept and process loan applications until the next bond sale, said Michael Lynch, AHFC executive director.

The U.S. Treasury Department threw a monkey wrench into AHFC plans to sell another $400 million in bonds this year in Europe.

Interest rates on bonds are lower in Europe, and that translates to a savings to home buyers in Alaska if AHFC bonds are sold there.

Last February, AHFC became the first state agency to sell bonds in Europe since Mississippi sold $7 million worth in the 1830s.

But on Friday the Treasury Department halted a second AHFC bond sale in Europe set for next week.

The department withdrew the support of the federal agency that guaranteed the AHFC bonds to European buyers.

AHFC was avoiding a 30 percent U.S. tax by selling the bonds through a subsidiary the corporation set up in the Netherlands Antilles. The Treasury Department objected to the loss of tax revenue.

AHFC had in the past two months put together an alternative method of selling Eurobonds that did not involve the Netherlands Antilles, Lynch said.

The Treasury Department did not object to the new structure, but it stopped the sale pending congressional action on tax legislation that would eliminate the 30 percent tax on foreign investment, he said. Congress is expected to act in 45 days.

Now the state is negotiating a third arrangement to sell bonds at rates comparable to European issues, he said.

Any agreement is likely next week, he said.

BILL SHEFFIELD
GOVERNOR

HB 663
664
665
666

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 1984

The Honorable Joe Hayes
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting four bills which relate to the Alaska Housing Finance Corporation (AS 18.56).

The first bill includes several substantive proposals. Section 1 enables the Board of Directors to delegate to the executive director the authority to sell an issue of bonds, if the Board establishes the maximum true interest cost for the issue. This proposal will enable the corporation to respond more rapidly to the capital markets. Section 2, in conjunction with the related appropriation provision in an accompanying bill, is intended to clarify the statutory basis for the home ownership assistance program and to repeal the current separate fund for the program. (AS 18.56.091) Section 3 precludes the corporation from purchasing a loan if the borrower has an outstanding housing loan under a state loan program. Section 3 also amends AS 18.56.096 to specify, in accordance with the present practice of the corporation, that the loan-to-value limitation does not apply to a qualified loan which is federally insured or guaranteed. Section 4 amends AS 18.56.098(g)(6) to provide that the interest rate on the first $90,000 of a qualified mortgage loan will be the same for all borrowers, regardless of whether the loan is purchased with proceeds from a taxable or tax-exempt bond issue. Section 5 makes a technical modification to a financial provision, and sec. 6 authorizes the corporation to issue $1.5 billion in bonds during FY 85.

To remove any possible legal concerns, the second bill appropriates to the corporation unrestricted interest repayments as well as certain program receipts which may accrue to the corporation during the next fiscal year. In addition, sec. 2 of the bill transfers the assets of the home ownership fund (AS 18.56.091) to the Alaska Housing Finance revolving fund. (AS 18.56.082.) As proposed in the companion bill, the home ownership fund is abolished. The transfer of assets to the revolving fund, subject to bondholder agreements, will provide the requisite flexibility for the corporation to continue to implement the home ownership assistance program.

The third bill proposes the presentation to the voters of the question of whether to authorize the issuance of $700,000,000 in state-guaranteed veterans' bonds. Since state-guaranteed veterans' bonds are tax-exempt, the corporation is able to provide benefits to veterans at a substantial savings to the state.

The fourth bill proposes a $100,000,000 increase in the corporation's bond issuance authorization limit for this fiscal year (FY 84). When the current debt authority limit of $980,000,000 was established, the purchase of mobile home loans was financed exclusively with state appropriations. The corporation has now designed a program under which the purchase of qualified mobile home loans may be financed through bond proceeds, and the proposed increase in the debt authorization level is necessary to implement this program.

These four bills present a balanced approach to the operations of the corporation. I therefore urge you to consider the legislation relating to the corporation as an integrated package. I add, also, that prompt legislative review and approval is important. In particular, please note that pending federal legislation may restrict, if not preclude, the issuance of tax-exempt veterans' bonds. Legislative approval before any Congressional action may thus allow the state to realize a substantial savings in providing benefits to qualified veterans.

Sincerely,

Bill Sheffield

Bill Sheffield
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date

REQUEST
Bill/Resolution No: HB 663
Title: Relating to Alaska Housing Finance Corporation
Sponsor: Governor
Requestor:
Date of Request:

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-0-	-0-	-0-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Michael S. Lynch
Phone: 276-5599
Division: Alaska Housing Finance Corporation
Date: 2/7/84

Approved by Commissioner: [signature]
Date: 2/7/84
Agency: D&R

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

0-5

CC

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date ______

Page 1 of 2

REQUEST
Bill/Resolution No: HB 664
Title: An Act making appropriations to AHFC.
Sponsor: Governor
Requestor: ______
Date of Request: ______

FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected:
Alaska Housing Finance Corporation
BRU, Program of Subprogram(s) Affected:
______

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-0-	-0-	-0-	-0-	-	-

POSITIONS:

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Michael S. Lynch
Division: Alaska Housing Finance Corporation
Phone: 276-5599
Date: ______

Approved by Commissioner: Rell D Heath
Agency: DOR
Date: 2/12/84

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

Page 232 HB 664

Analysis for Governor's Bill on AHFC Appropriations:

Section 1 of this bill responds to a question which has been raised by the Attorney General's Office concerning the possibility that retention of some revenues and receipts of the Corporation may be in conflict with the "dedicated funds" provisions of the State Constitution. The Attorney General's Office has not yet answered that question. The bill removes any doubt as to the proper retention of revenues and receipts of the Corporation.

Section 2 of this bill transfers all assets of the Home Ownership Fund to the Alaska Housing Finance revolving fund which was established by the Legislature in 1983 to alleviate some of the "dedicated funds" questions and to facilitate a continuity of programs of the Corporation.

STATE OF ALASKA - 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date ____________

REQUEST
Bill/Resolution No: [redacted] 666
Title: Increasing Bond Authorization level.
Sponsor: Governor
Requestor:
Date of Request:

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-
FUNDING: (Thousands of Dollars)						
GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-0-	-0-	-0-	-	-	-
POSITIONS:						
FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Michael S. Lynch Phone: 276-5599
Division: Alaska Housing Finance Corporation Date: 2/7/84

Approved by Commissioner: [signature] Date: 2/7/84
Agency: DoR

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

MAR 9 1984

Asper

A M E N D M E N T #1

Offered in the HOUSE

TO: HB 663

Page 1, lines 9 - 21:

Delete Section 1 in its entirety.

Renumber succeeding sections accordingly.

MAR 2 9 1984

Asper

AMENDMENT #2

Offered in the HOUSE

TO: HB 663

Page 4, after "taxation" on line 2:

Delete: "under the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103A), as amended"

Insert: "[UNDER THE MORTGAGE SUBSIDY BOND TAX ACT OF 1980 (26 U.S.C. 103A), AS AMENDED]"

3/28/84

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

MEMORANDUM March 13, 1984

SUBJECT: Sectional Analysis of HB 663, 664, and 666

TO: Representative Rick Uehling
Chairman
House Special Committee on Loans

FROM: LHA Linn H. Asper
Legislative Counsel

House Bill 663.

Section 1 adds to the powers of the executive director of the Alaska Housing Finance Corporation (AHFC) by allowing the board of directors of the corporation to authorize the executive director to sell an issue of bonds or notes of the corporation.

Section 2 deletes the home ownership fund in AHFC and replaces it with a home ownership assistance program with similar functions.

Section 3 limits a borrower to one state subsidized mortgage housing loan, with one stated exception, and removes the AHFC loan-to-value limitation from loans that are federally insured or guaranteed.

Section 4 makes a technical change in interest rate calculations for AHFC mortgage loans purchased from the proceeds of bonds exempt from taxation under the Mortgage Subsidy Bond Tax Act of 1980 so that the interest rate is calculated as other AHFC loans are calculated.

Section 5 limits AHFC bond obligation to the revenues and assets of the corporation.

Section 6 provides a 1.5 billion bond authorization ceiling for AHFC in the 1985 fiscal year.

Section 7 provides a July 1, 1984 effective date.

House Bill 664.

Section 1 appropriates fiscal 1985 program receipts of AHFC back to the revolving fund of the corporation.

Section transfers the assets of the home ownership fund into the AHFC revolving fund.

Section 3 makes section 1 of the Act effective July 1, 1984.

Section 4 makes section 2 of the Act effective when the home ownership fund is repealed. (See section 2 of HB 662.)

House Bill 666.

Section 1 provides for a supplemental authorization for AHFC bonds for fiscal year 1984 in the amount of $100,000,000.

Section 2 prescribes an immediate effective date.

LHA:ojb
J4/069

Sec. 18.56.045. Minutes of meetings. The board shall keep minutes of each meeting and send a certified copy to the governor and to the Legislative Budget and Audit Committee. (§ 1 ch 107 SLA 1971; am § 2 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment added "and to the Legislative Budget and Audit Committee" following "copy to the governor."

Sec. 18.56.050. Administration of affairs. The board shall manage the assets and business of the corporation and may prescribe, amend and repeal bylaws and regulations governing the manner in which the business of the corporation is conducted and the manner in which its powers are exercised. The board shall delegate supervision of the administration of the corporation to the executive director, appointed in accordance with AS 18.56.052. (§ 1 ch 107 SLA 1971; am § 2 ch 167 SLA 1978; am § 15 ch 106 SLA 1980)

Effect of amendments. — The 1978 amendment, substituted "shall manage" for "may manage," inserted "may" preceding "prescribe," and deleted "rules" preceding "and regulations," all in the first sentence, deleted the former second sentence, which read "The board may delegate to one or more of its directors, officers, agents or employees those powers and duties it considers proper," and substituted "shall delegate" for "may delegate" and the language beginning "the executive director" for "an executive officer" in the present second sentence.

The 1980 amendment deleted "and may delegate to him other duties it considers proper" at the end of the section.

Sec. 18.56.052. Executive director. The corporation shall employ an executive director, who may not be a member of the board. The executive director shall be appointed by the board of directors and serves at the pleasure of the board. (§ 3 ch 167 SLA 1978)

Sec. 18.56.055. Legal advisor. The attorney general is the legal counsel for the corporation. He shall advise the corporation in legal matters and represent it in suits. (§ 1 ch 107 SLA 1971)

Sec. 18.56.060. Employment of personnel. The board may appoint other officers and engage professional and technical advisors as independent contractors. The executive director may hire employees of the corporation and, subject to the approval of the board, engage professional and technical advisors under contract with the corporation. The board shall prescribe the duties and compensation of corporation personnel, including the executive director. (§ 1 ch 107 SLA 1971; am § 4 ch 167 SLA 1978; am § 16 ch 106 SLA 1980)

Effect of amendments. — The 1978 amendment rewrote this section.

The 1980 amendment added "including the executive director" at the end of the section.

Chapter 102

AN ACT

Relating to state housing loan and state alternative technology loan programs; and providing for an effective date.

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

(14) Sitka Community Association (Baranof Island) 18.55.996(a)(14)

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

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

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

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

housing insurance account, a rural housing hazard insurance fund and a rural housing title insurance fund.

The 1981 amendment repealed paragraph (1) which concerned the power to make or participate in the making of construction loans.

Sec. 18.56.091. Home ownership fund. There is established in the corporation the home ownership fund, consisting of money appropriated to it by the legislature. Money in the fund shall be used solely to assist persons of lower and moderate income to purchase homes financed under the special mortgage loan purchase program by providing a subsidy to the persons in an amount not greater than the difference between

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

(2) 25 percent of that person's annual gross income. (§ 22 ch 106 SLA 1980)

Sec. 18.56.092. Veterans' loans for residential housing.

Repealed by § 77 ch 106 SLA 1980.

Editor's notes. — The repealed section derived from § 7 ch. 151 SLA 1975.

Sec. 18.56.093. Insurance. (a) There is established in the corporation the housing insurance fund, the rural housing hazard insurance fund, and the rural housing title insurance fund. The funds shall be completely segregated from all other funds of the corporation, and are trust funds for the uses and purposes of this section. The corporation may adopt regulations under AS 18.56.088 and enter into agreements with respect to the exercise of any power relating to the funds under this section, including, without limitation, agreements as to the use of the money in the funds, agreements with respect to the terms and conditions upon which payments from the funds must be made to the corporation with respect to mortgage loans insured under this section, agreements as to accounts or subaccounts in the funds for different categories of loans, and agreements regarding the payment of and security for bonds of the corporation. The corporation may pledge, assign, or grant other interests in the funds as may be necessary or appropriate in connection with the insurance of mortgage loans and to provide for the payment of and security for bonds of the corporation.

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

(c) A mortgage loan purchased by the corporation as part of its special mortgage loan purchase program may be insured by the housing been or may, after the date of determination of actuarial soundness, be appropriated pursuant to (f) of this section, including, without limitation, estimates of future defaults and losses on mortgage loans insured under this section based on actual default and loss experience on those mortgage loans or on similar mortgage loans in Alaska or elsewhere, estimates of recoveries on defaulted or foreclosed mortgage loans based on that experience, the terms and conditions of the mortgage loans insured under this section, estimates of earnings and income of amounts on deposit in the mortgage insurance fund, and any other appropriate factors. (§ 8 ch 151 SLA 1975; am §§ 23 — 26, 77 ch 106 SLA 1980)

Effect of amendments. — The 1980 amendment deleted "including a state veterans' loan" following "A mortgage loan" near the beginning of subsection (d), deleted the former second sentence in subsection (d), which read, "In addition, a state veterans' loan may be insured if the loan-to-value ratio does not exceed 90 percent," deleted "including state veterans' loans" following "or mortgage loans" near the beginning of paragraph (1) in subsection (e), inserted "and economic development" following "commissioner of commerce" near the end of paragraph (1) in subsection (e), inserted "and economic development" preceding "shall determine" near the beginning of subsection (f), inserted "of commerce and economic development" following "the commissioner" near the beginning of the second sentence and near the beginning of the third sentence in subsection (f), inserted "and economic development" following "commissioner of commerce" near the end of paragraph (4) of subsection (h), and repealed the following: paragraph (2) of subsection (e); subsection (g); and paragraph (5) of subsection (h).

Sec. 18.56.096. Limitation on power to make or purchase mortgage loans. The corporation may not make, participate in the making of, purchase, or participate in the purchase of

(1) a first mortgage loan under this chapter that exceeds the limitations on first mortgage loans purchased by the Federal National Mortgage Association as to principal amount and loan-to-value ratio; or

(2) a second mortgage loan 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. (§ 27 ch 106 SLA 1980; am § 3 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment designated part of the former section as paragraph (1) and added paragraph (2). In paragraph (1), the amendment added "first" preceding "mortgage" twice, substituted "that" for "which" preceding "exceeds the limitations" and added "or" following "loan-to-value ratio."

Sec. 18.56.097. Collateral for loans. Under procedures established by regulations of the corporation adopted in accordance with AS 18.56.088 a person may pledge as security for the repayment of a loan made, purchased or insured by the corporation under this chapter a

(G)cont. (5) The interest rate on a mortgage loan purchased from money appropriated to the corporation is the rate the corporation determines is appropriate by application of the provisions of (1) — (4) of this subsection. The rate may be based on an estimate of the cost of funds of a proposed issue or issues of bonds.

(6) The interest rate on the first $90,000 of a mortgage loan purchased from the proceeds of bonds that are exempt from taxation under the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103A) is 10 percent or the cost of the funds, whichever is less. A higher or lower interest rate shall be established on the entire loan amount if required under the Mortgage Subsidy Bond Tax Act.

(7) In this subsection

(A) "cost of funds" means the true interest cost expressed as a rate on bonds of the corporation plus an additional percentage as determined by the corporation to represent the allocable expenses of operation, costs of issuance, and mortgage servicing;

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

(h) The corporation shall establish the interest rate on a second mortgage loan purchased under (a) of this section in the manner established for computing the interest rates on a first mortgage loan under (g) of this section except that the outstanding principal balance of the existing first mortgage loan is subtracted from $90,000 to determine the amount of the loan that is eligible for an interest rate on a second mortgage loan determined by reference to (g) of this section. (§ 27 ch 106 SLA 1980; am §§ 4 — 7, 51 ch 115 SLA 1981)

Effect of amendments. — The 1981 amendment added "first or second" preceding "mortgage loans," added "improvement, or rehabilitation" preceding "of residences," deleted paragraph designation (1) preceding "for the purchase" and deleted "or (2) for the refinancing of a mortgage loan on a residence if the purpose of the refinancing is to provide money for the improvement or rehabilitation of the residence" in subsection (a). In subsection (c), the amendment added the language beginning "and may expend amounts" and ending "equal the rates specified in this section" near the end of the subsection. In subsection (e), the amendment substituted "the" for "in order to discourage the speculative use of mortgage credit under the special mortgage loan purchase program for purposes other than home ownership, the" at the beginning of the second sentence, substituted "restricting" for "otherwise setting conditions on" preceding "the right to assume," added "or the right to provide for the payment of" preceding "mortgage loans purchased" and added "by a person other than the mortgagor" following "of this section" at the end of the second sentence and added the present third and fourth sentences of the subsection. The amendment also added subsections (g) and (h) and repealed subsection (d) concerning interest rates charged on mortgage loans purchased under subsection (a) and repealed subsection (f) (3) which defined "mortgage program cost."

Editor's notes. — For 1980 priorities in the purchase of mortgage loans by the Alaska Housing Finance Corporation, see § 11, ch. 106, SLA 1980, in the 1980 Temporary and Special Acts and Resolves.

(16) to provide for the rights and liabilities, powers and duties arising upon the breach of any covenant, condition or obligation, and to prescribe the events of default and the terms and conditions upon which any or all the bonds, notes or other obligations of the corporation become or may be declared due and payable before maturity and the terms and conditions upon which any such declaration and its consequences may be waived;

(17) to vest in a trustee or trustees within or outside the state such property, rights, powers and duties in trust as the corporation may determine, which may include any or all of the rights, powers and duties of any trustee appointed by the holders of any bonds or notes, and to limit or abrogate the right of the holders of any bonds or notes of the corporation to appoint a trustee under this chapter or limit the rights, powers and duties of the trustee;

(18) to pay the costs or expenses incident to the enforcement of the bonds or notes or of the provisions of the resolution or of any covenant or agreement of the corporation with the holders of its bonds or notes;

(19) to agree with any corporate trustee which may be any trust company or bank having the powers of a trust company within or outside the state as to the pledging or assigning of revenues or funds to which or in which the corporation has any rights or interest; the agreement may further provide for such other rights and remedies exercisable by the trustee as may be proper for the protection of the holders of any bonds or notes of the corporation and not otherwise in violation of law and may provide for the restriction of the rights of an individual holder of bonds or notes of the corporation;

(20) to appoint and provide for the duties and obligations of any paying agent or paying agents, or such other fiduciaries as the resolution may provide within or outside the state;

(21) to limit the rights of the holders of any bonds or notes to enforce any pledge or covenant securing bonds or notes;

(22) to make covenants other than and in addition to the covenants expressly authorized in this section, of like or different character, and to make such covenants to do or refrain from doing such acts and things as may be necessary, or convenient and desirable, in order to better secure bonds or notes or which, in the absolute discretion of the corporation, will tend to make bonds or notes more marketable, notwithstanding that the covenants, acts or things may not be enumerated in this section.

(g) Notwithstanding AS 18.56.090(12) and (a) of this section, the corporation may not issue bonds, other than refunding bonds, in any 12-month period beginning after June 30, 1982, in an amount that exceeds the amount of bonds authorized to be issued during the preceding period, unless a different amount is authorized by the legislature. (§ 1 ch 107 SLA 1971; am § 11 ch 115 SLA 1981) of America which mature or which will be subject to redemption, at the option of the holders of them, not later than the respective dates when the proceeds, together with the interest accruing on them, will be required for the purposes intended. (§ 1 ch 107 SLA 1971)

Sec. 18.56.170. Credit of state not pledged. (a) Obligations issued under the provisions of this chapter do not constitute a debt, liability or obligation of the state or of any political subdivision of the state or a pledge of the faith and credit of the state or of any such political subdivision but are payable solely from the revenues or assets of the corporation. Each obligation issued under this chapter shall contain on its face a statement that the corporation is not obligated to pay it nor the interest on it except from the revenues or assets pledged for it and that neither the faith and credit nor the taxing power of the state or of any political subdivision of the state is pledged to the payment of the principal of or the interest on the obligation.

(b) Expenses incurred by the corporation in carrying out the provisions of this chapter are payable from funds provided under this chapter and no liability may be incurred by the corporation in excess of these funds. (§ 1 ch 107 SLA 1971)

Sec. 18.56.180. Officers not liable. No member or other officer of the corporation is subject to personal liability or accountability by reason of his execution of any obligations or the issuance of them. (§ 1 ch 107 SLA 1971)

Sec. 18.56.190. Tax exemption. (a) The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of the state, for their well-being and prosperity and for the improvement of their social and economic conditions, and the corporation is not required to pay a tax or assessment on any property owned by the corporation under the provisions of this chapter or upon the income from it, except taxes on real property of which the corporation is fee owner.

(b) All obligations issued under this chapter are hereby declared to be issued by a body corporate and public of the state and for an essential public and governmental purpose, and the obligations, and the interest and income on and from the obligations, and all fees, charges, funds, revenues, income and other money pledged or available to pay or secure the payment of the obligations, or interest on the obligations, are exempt from taxation except for transfer, inheritance and estate taxes. (§ 1 ch 107 SLA 1971)

Sec. 18.56.200. Annual report. (a) The corporation shall prepare and transmit annually a report accounting to the governor and the legislature for the efficient discharge of all responsibility assigned by law or by directive to the corporation.

(b) By January 10 of each year, the board shall publish a report of the corporation for distribution to the governor, legislature, and the

Asper
3/21/84

Original sponsor: Rules/Governor

IN THE HOUSE

BY THE HOUSE SPECIAL COMMITTEE ON STATE LOANS

CS FOR HOUSE BILL NO. 663 (Loans)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska Housing Finance Corporation; and providing for an effective date."

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

* Section 1. AS 18.56.091 is amended to read:

Sec. 18.56.091. HOME OWNERSHIP ASSISTANCE PROGRAM [FUND]. The corporation shall implement a home ownership assistance program [THERE IS ESTABLISHED IN THE CORPORATION THE HOME OWNERSHIP FUND, CONSISTING OF MONEY APPROPRIATED TO IT BY THE LEGISLATURE. MONEY IN THE FUND SHALL BE USED SOLELY] to assist persons of lower and moderate income to purchase homes financed under the special mortgage loan purchase program by providing a subsidy to the persons in an amount not greater than the difference between

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

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

* Sec. 2. AS 18.56.096 is amended to read:

Sec. 18.56.096. LIMITATION ON POWER TO MAKE OR PURCHASE MORTGAGE LOANS. (a) The corporation may not make, participate in the making of, purchase, or participate in the purchase of

(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;

(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 <u>subsection</u> [SECTION] or that has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent;

(3) a mortgage loan to finance the purchase of new housing or for the improvement or rehabilitation of existing housing, unless the construction, improvement, or rehabilitation work has been performed by a contractor who is registered to work as a contractor under AS 08.18; this paragraph does not apply if the construction, improvement, or rehabilitation work

(A) has been totally or substantially performed by the borrower;

(B) has been performed by a borrower who acts as the contractor for the construction, improvement, or rehabilitation work; or

(C) has been performed in an area designated by the corporation as exempt from the requirements of this paragraph because of the unavailability of registered contractors in that area;

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

Mortgage Association as to principal amount by more than 10 percent, or has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent; [OR]

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

(6) a first mortgage loan if the borrower has an outstanding first mortgage housing loan under a state loan program, other than a loan for nonowner-occupied housing under AS 44.47.520.

(b) The loan-to-value limitation established in (a)(4) of this section does not apply to a qualified loan that is federally insured or guaranteed.

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

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

(1) The interest rate on the first $90,000 of a mortgage loan purchased with the proceeds of an issue of taxable bonds of the corporation is three percent less than the cost of funds of that issue, except that

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

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

[(2) Repealed]

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

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

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

(4) [(5)] The interest rate on the first $90,000 of a mortgage loan purchased with money that is not the proceeds of either taxable or tax-exempt bonds is the rate the corporation determines is appropriate by application of the provision of (1) of this subsection.

(5) [(6)] The interest rate on the first $90,000 of a mortgage loan purchased from the proceeds an issue of bonds that are exempt from taxation under 26 U.S.C. 103A (the Mortgage Subsidy Bond Tax Act of 1980) [(26 U.S.C. 103A)], as amended, other than bonds that constitute qualified veterans' bonds under (i) of this section, is three percent less than the cost of funds of that issue, except that (A) if the cost of funds of that issue is less than 10 percent, the interest rate is equal to the cost of funds; and (B) if the cost of funds of that issue is more than 10 percent, the interest rate may not be less than 10 percent [10 PERCENT OR THE COST OF THE FUNDS, WHICHEVER IS LESS]. A higher or lower interest rate shall be established on the entire loan amount if required under the Mortgage Subsidy Bond Tax Act.

(6) [(7)] In this subsection

(A) "cost of funds" means the true interest cost expressed as a rate on bonds of the corporation plus an additional percentage as determined by the corporation to represent the allocable expenses of operation, costs of issuance, and mortgage servicing;

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

* Sec. 4. AS 18.56.170(a) is amended to read:

(a) Obligations issued under the provisions of this chapter other than state guaranteed bonds do not constitute a debt, liability or obligation of the state or of any political subdivision of the state or a pledge of the faith and credit of the state or of any such political subdivision but are payable solely from the revenues or assets of the corporation. Each obligation issued under this chapter other than a state guaranteed bond shall contain on its face a statement that the corporation is not obligated to pay it nor the interest on it except from the revenues or assets of the corporation [PLEDGED FOR IT] and that neither the faith and credit nor the taxing power of the state or of any political subdivision of the state is pledged to the payment of the principal of or the interest on the obligation.

* Sec. 5. The Alaska Housing Finance Corporation may issue bonds in the principal amount of $1,500,000,000 during the fiscal year ending June 30, 1985.

* Sec. 6. This Act takes effect July 1, 1984.

Asper
3/21/84

Original sponsor: Rules/Governor

Not approved

IN THE HOUSE

BY THE HOUSE SPECIAL COMMITTEE ON STATE LOANS

CS FOR HOUSE BILL NO. 663 (Loans)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska Housing Finance Corporation; and providing for an effective date."

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

* Section 1. AS 18.56.091 is amended to read:

Sec. 18.56.091. HOME OWNERSHIP ASSISTANCE PROGRAM [FUND]. The corporation shall implement a home ownership assistance program [THERE IS ESTABLISHED IN THE CORPORATION THE HOME OWNERSHIP FUND, CONSISTING OF MONEY APPROPRIATED TO IT BY THE LEGISLATURE. MONEY IN THE FUND SHALL BE USED SOLELY] to assist persons of lower and moderate income to purchase homes financed under the special mortgage loan purchase program by providing a subsidy to the persons in an amount not greater than the difference between

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

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

* Sec. 2. AS 18.56.096 is amended to read:

Sec. 18.56.096. LIMITATION ON POWER TO MAKE OR PURCHASE MORTGAGE LOANS. (a) The corporation may not make, participate in the making of, purchase, or participate in the purchase of

(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;

(2) a second mortgage loan for a duplex, triplex, or fourplex 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 <u>subsection</u> [SECTION] or that has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent;

(3) a mortgage loan to finance the purchase of new housing or for the improvement or rehabilitation of existing housing, unless the construction, improvement, or rehabilitation work has been performed by a contractor who is registered to work as a contractor under AS 08.18; this paragraph does not apply if the construction, improvement, or rehabilitation work

(A) has been totally or substantially performed by the borrower;

(B) has been performed by a borrower who acts as the contractor for the construction, improvement, or rehabilitation work; or

(C) has been performed in an area designated by the corporation as exempt from the requirements of this paragraph because of the unavailability of registered contractors in that area;

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

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Mortgage Association as to principal amount by more than 10 percent, or has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent; [OR]

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

(6) a first mortgage loan if the borrower has an outstanding first mortgage housing loan under a state loan program, other than a loan for nonowner-occupied housing under AS 44.47.520.

(b) The loan-to-value limitation established in (a)(4) of this section does not apply to a qualified loan that is federally insured or guaranteed.

* Sec. 3. AS 18.56.098(g) is amended to read: TAX - EXEMPT

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

(1) The interest rate on the first $90,000 of a mortgage loan purchased with the proceeds of an issue of taxable bonds of the corporation is three percent less than the cost of funds of that issue, except that

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

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

[(2) Repealed]

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

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

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

(4) [(5)] The interest rate on the first $90,000 of a mortgage loan purchased with money that is not the proceeds of either taxable or tax-exempt bonds is the rate the corporation determines is appropriate by application of the provision of (1) of this subsection.

(5) [(6)] The interest rate on the first $90,000 of a mortgage loan purchased from the proceeds an issue of bonds that are exempt from taxation under 26 U.S.C. 103A (the Mortgage Subsidy Bond Tax Act of 1980) [(26 U.S.C. 103A)], as amended, other than bonds that constitute qualified veterans' bonds under (i) of this section, is three percent less than the cost of funds of that issue, except that (A) if the cost of funds of that issue is less than 10 percent, the interest rate is equal to the cost of funds; and (B) if the cost of funds of that issue is more than 10 percent, the interest rate may not be less than 10 percent [10 PERCENT OR THE COST OF THE FUNDS, WHICHEVER IS LESS]. A higher or lower interest rate shall be established on the entire loan amount if required under the Mortgage Subsidy Bond Tax Act.

(6) [(7)] In this subsection

(A) "cost of funds" means the true interest cost expressed as a rate on bonds of the corporation plus an additional percentage as determined by the corporation to represent the allocable expenses of operation, costs of issuance, and mortgage servicing;

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

* Sec. 4. AS 18.56.170(a) is amended to read:

(a) Obligations issued under the provisions of this chapter other than state guaranteed bonds do not constitute a debt, liability or obligation of the state or of any political subdivision of the state or a pledge of the faith and credit of the state or of any such political subdivision but are payable solely from the revenues or assets of the corporation. Each obligation issued under this chapter other than a state guaranteed bond shall contain on its face a statement that the corporation is not obligated to pay it nor the interest on it except from the revenues or assets of the corporation [PLEDGED FOR IT] and that neither the faith and credit nor the taxing power of the state or of any political subdivision of the state is pledged to the payment of the principal of or the interest on the obligation.

* Sec. 5. The Alaska Housing Finance Corporation may issue bonds in the principal amount of $1,500,000,000 during the fiscal year ending June 30, 1985.

* Sec. 6. This Act takes effect July 1, 1984.

Original sponsor: Rules/Governor

Approved

IN THE HOUSE

BY THE HOUSE SPECIAL COMMITTEE ON STATE LOANS

3/28/84

CS FOR HOUSE BILL NO. 663 (Loans)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska Housing Finance Corporation; and providing for an effective date."

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

* Section 1. AS 18.56.050 is amended to read:

Sec. 18.56.050. ADMINISTRATION OF AFFAIRS. The board shall manage the assets and business of the corporation and may prescribe, amend and repeal bylaws and regulations governing the manner in which the business of the corporation is conducted and the manner in which its powers are exercised. The board shall delegate supervision of the administration of the corporation to the executive director, appointed in accordance with AS 18.56.052. Among other duties that the board may delegate to the executive director, the board may delegate to the executive director the authority to sell an issue of bonds or notes of the corporation, providing that the board establish by resolution a maximum acceptable true interest cost on the bonds or notes to be sold under the delegation.

* Sec. 2. AS 18.56.091 is amended to read:

Sec. 18.56.091. HOME OWNERSHIP ASSISTANCE PROGRAM [FUND]. The corporation shall implement a home ownership assistance program [THERE IS ESTABLISHED IN THE CORPORATION THE HOME OWNERSHIP FUND, CONSISTING OF MONEY APPROPRIATED TO IT BY THE LEGISLATURE. MONEY IN THE FUND SHALL BE USED SOLELY] to assist persons of lower and moderate income to purchase homes financed under the special mortgage loan purchase program by providing a subsidy to the persons in an amount not greater than the difference between

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

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

* Sec. 3. AS 18.56.096 is amended to read:

Sec. 18.56.096. LIMITATION ON POWER TO MAKE OR PURCHASE MORTGAGE LOANS. (a) The corporation may not make, participate in the making of, purchase, or participate in the purchase of

(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;

(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 subsection [SECTION] or that has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent;

(3) a mortgage loan to finance the purchase of new housing or for the improvement or rehabilitation of existing housing, unless the construction, improvement, or rehabilitation work has been performed by a contractor who is registered to work as a contractor under AS 08.18; this paragraph does not apply if the construction, improvement, or rehabilitation work

(A) has been totally or substantially performed by the borrower;

(B) has been performed by a borrower who acts as the contractor for the construction, improvement, or rehabilitation work; or

(C) has been performed in an area designated by the corporation as exempt from the requirements of this paragraph because of the unavailability of registered contractors in that area;

(4) a first mortgage loan for a single-family residence that exceeds the limitations on first mortgage loans for similar housing purchased by the Federal National Mortgage Association as to principal amount by more than 10 percent, or has a loan-to-value ratio that exceeds 95 percent, or a second mortgage loan for a single-family residence, the amount of which, when combined with the principal balance of a first mortgage loan on the property, exceeds the limitations on loans for similar housing purchased by the Federal National Mortgage Association as to principal amount by more than 10 percent, or has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent; [OR]

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

(6) a first mortgage loan if the borrower has an outstanding first mortgage housing loan under a state loan program, other than a loan for nonowner-occupied housing under AS 44.47.520.

(b) The loan-to-value limitation established in (a)(4) of this section does not apply to a qualified loan that is federally insured or guaranteed.

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

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

(1) The interest rate on the first $90,000 of a mortgage loan purchased with the proceeds of an issue of taxable bonds of the corporation is three percent less than the cost of funds of that issue, except that

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

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

(2) [Repealed

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

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

(4) [(5)] The interest rate on the first $90,000 of a mortgage loan purchased with money that is not the proceeds of either taxable or tax-exempt bonds is the rate the corporation determines is appropriate by application of the provision of (1) of this subsection.

(5) [(6)] The interest rate on the first $90,000 of a mortgage loan purchased from the proceeds of bonds that are exempt from taxation [UNDER THE MORTGAGE SUBSIDY BOND TAX ACT OF 1980 (26 U.S.C. 103A), AS AMENDED,] other than bonds that constitute qualified

veterans' bonds under (i) of this section, is equal to the interest rate determined under (1) - (3) of this subsection on a loan purchased under (a) of this section from the proceeds of the most recent applicable issue of taxable bonds sold by the corporation [10 PERCENT OR THE COST OF THE FUNDS, WHICHEVER IS LESS]. A higher or lower interest rate shall be established on the entire loan amount if required to insure the tax-exempt status of the bonds [UNDER THE MORTGAGE SUBSIDY BOND TAX ACT].

(5) [(7)] In this subsection

(A) "cost of funds" means the true interest cost expressed as a rate on bonds of the corporation plus an additional percentage as determined by the corporation to represent the allocable expenses of operation, costs of issuance, and mortgage servicing;

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

* Sec. 5. AS 18.56.170(a) is amended to read:

(a) Obligations issued under the provisions of this chapter other than state guaranteed bonds do not constitute a debt, liability or obligation of the state or of any political subdivision of the state or a pledge of the faith and credit of the state or of any such political subdivision but are payable solely from the revenues or assets of the corporation. Each obligation issued under this chapter other than a state guaranteed bond shall contain on its face a statement that the corporation is not obligated to pay it nor the interest on it except from the revenues or assets of the corporation [PLEDGED FOR IT] and that neither the faith and credit nor the taxing power of the state or of any political subdivision of the state is pledged to the payment of the principal of or the interest on the obligation.

* Sec. 6. The Alaska Housing Finance Corporation may issue bonds in the principal amount of $1,500,000,000 during the fiscal year ending June 30, 1985.

* Sec. 7. This Act takes effect July 1, 1984.

March 28, 1984

The Honorable Rick Uehling
Chairman
House Special Committee on Loans
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Chairman:

A committee substitute to HB 663 has been introduced which may have a substantial effect on the actual subsidy costs of the Special Mortgage Loan Purchase Program operated by Alaska Housing Finance Corporation and cause drastic disparities in interest rates available under various programs offered by the Corporation.

Section 3 of CS for HB 663 would establish the interest rate for residences financed under the Tax Exempt Mortgage Loan Purchase (first time homebuyers) Program at three percent below the cost of funds for the related tax exempt bond issue for the first $90,000 of the loan with the excess at the cost of funds (provided, however, that the rate may not be below ten percent unless the cost of funds is below ten percent). The original language of HB 663 established the rate on the first $90,000 of the loan at the rate then available under the Corporation's Taxable First Mortgage Program. This was a proposed modification to the existing provision which allows for a fixed ten percent rate to apply to the first $90,000 irrespective of what the actual cost of funds of the related issue may be or currrent rates available under the Taxable Program.

The Corporation's budget for FY 85 did not anticipate the sale of bonds under § 103A of the Internal Revenue Code due to the expiration of federal authorization for the issuance of the bonds. Consequently, the Corporation's concerns over the modification cannot be expressed in terms of the impact on the capital budget request for FY 85. What can be demonstrated, however, is the actual cost of the amendment given certain assumptions.

Should the authorization for tax exempt bonds be reinstated by Congress allowing the Corporation to issue $200 million of the bonds during FY 85, based upon current capital market interest rate levels the actual subsidy related to the tax exempt program may be $16 to $20 million greater with the committee substitute than it would be based upon the original provision of HB 663. This would result from the interest rate on the first $90,000 of a mortgage loan being one percent less with the substitute proposal, thereby increasing the required subsidy funds.

The Corporation suggested the change in the Tax Exempt Program setting the subsidized interest rate at the same rate available under the Taxable First Mortgage Program to increase the predictability of annual subsidy costs and provide equity in mortgage rates available under the Corporation's programs.

Also, as mentioned at the committee hearing the Corporation intends to finance the Mobile Home Loan Purchase Program through the issuance of bonds. An IRS revenue ruling is being requested to allow the bonds to be sold in the tax-exempt market pursuant to § 103(a) of the Internal Revenue Code. Currently, the statutes do not provide for the establishment of interest rates for loans purchased with the proceeds of such bonds.

Based upon the above, we recommend § 3 of CSHB 663 be as follows:

* Sec. 3. AS 18.56.098(g)(6) is amended to read:

(6) the interest rate on the first $90,000 of a mortgage loan purchased from the proceeds of bonds that are exempt from taxation [UNDER THE MORTGAGE SUBSIDY BOND TAX ACT OF 1980 (26 U.S.C. 103A), AS AMENDED] other than bonds that constitute qualified veterans' bonds under (i) of this section, is <u>equal to the interest rate determined under (1) -- (4) of this subsection on a loan purchased under (a) of this section from the proceeds of the most recent applicable issue of taxable bonds sold by the corporation</u> [10 PERCENT OR THE COST OF THE FUNDS, WHICHEVER IS LESS]. A higher or lower interest rate shall be establishes on the entire loan amount if required [UNDER THE MORTGAGE SUBSIDY BOND TAX ACT] <u>to insure the tax-exempt status of the bonds</u>.

Sincerely,

Michael S. Lynch
Executive Director
Alaska Housing Finance
Corporation

MSL:jas

[illegible]

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 19, 1983

COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
1102 LONGWORTH HOUSE OFFICE BLDG.
WASHINGTON, D.C. 20515
TELEPHONE: (202) 225-3625

THE HONORABLE DAN ROSTENKOWSKI (D., ILL.), CHAIRMAN COMMITTEE ON WAYS AND MEANS ANNOUNCES COMMITTEE APPROVAL OF LEGISLATIVE CHANGES RELATING TO THE ISSUANCE OF TAX-EXEMPT BONDS

The Honorable Dan Rostenkowski (D., Ill.), Chairman of the Committee on Ways and Means, announced that the Committee yesterday approved the following legislative changes to the rules governing the issuance of tax-exempt bonds:

A. MORTGAGE SUBSIDY BONDS

1. Sunset Date: Under present law, authority to issue tax-exempt bonds, the proceeds from which are used to finance owner-occupied housing (other than qualified veterans' mortgage bonds), expires after December 31, 1983. The Committee agreed to postpone that sunset date for five years, to December 31, 1988.

2. Veterans' Mortgage Bonds: Under present law, authority to issue mortgage subsidy bonds, other than qualified veterans' mortgage bonds, is limited in each State to specific amounts. The Committee agreed to include veterans' mortgage bonds within these volume limits by reducing the volume limits in each year, beginning in 1984, by the volume of veterans' mortgage bonds issued in the prior year. Veterans' mortgage bonds issued pursuant to a voter referendum approved prior to October 19, 1983, or pursuant to a referendum scheduled by October 18, 1983, for a referendum in 1983, would not be subject to this provision. Authority to issue veterans' mortgage bonds would expire after December 31, 1988, along with other mortgage subsidy bond authority.

3. Reporting Requirements: The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) required that issuers of tax-exempt bonds that are industrial development bonds, student loan bonds or bonds issued for the benefit of tax-exempt organizations submit information reports to the Internal Revenue Service. The Committee agreed to extend the reporting requirements of TEFRA to all mortgage subsidy bonds.

4. Limited Equity Housing Cooperatives: The Committee agreed to permit blanket mortgages for limited equity cooperative housing projects to be financed with bonds issued under rules similar to those for multi-family housing projects. Bonds issued for such purposes would be charged against volume caps for mortgage subsidy bonds. Owners of cooperative units so financed would not be permitted to deduct their share of mortgage interest payments and property taxes.

B. MORTGAGE CREDIT CERTIFICATES

The Committee agreed to permit State and local governments to elect, for any year, to exchange all, or a part of, their qualified mortgage bond authority for authority to issue qualified mortgage credit certificates (MCCs). The amount of authority which could be exchanged would be restricted to nine percent of the average volume of single-family mortgages in the prior three years. MCCs would entitle homeowners to nonrefundable credits not exceeding 50 percent (but not less than 10 percent) of mortgage interest on qualifying principal residences. The credits would be subject to the existing eligibility requirements for qualified mortgage bonds. Credits not useable by the homeowner in the current year could be carried over.

(MORE)

bond authority generally could be converted to credit authority by reducing the mortgage bond authority for which the issuer elects to grant credits. Thus, if a State converted $100,000,000 of issuing mortgage bond authority, it could provide a fifteen percent credit to homeowners with mortgages totaling $100,000,000. Alternatively, for example, it could provide thirty percent credits to homebuyers with mortgages totaling $50,000,000. For States and localities which issued less than their full authorized volume of mortgage subsidy bonds in 1983, the authority to issue MCCs would be phased in over a five-year period. The 1983 volume would be an annualized amount based on the actual issues in the first nine months of 1983. MCCs would be subject to the December 31, 1988 sunset for mortgage subsidy bonds.

MCCs could be distributed only following the announcement by the State or local government, at least 90 days before distribution, of a proposed plan of distribution.

C. VOLUME CAPS FOR PRIVATE PURPOSE BONDS

The Committee agreed to set State-by-State volume caps of $150 per capita for all private purpose bonds other than mortgage subsidy bonds and bonds issued to benefit 501(c)(3) organizations (i.e., the cap would include all IDBs and student loan bonds). The cap would not apply to bonds issued for traditional public purposes (e.g., schools, roads, and public improvement projects and the financing of the public debt). The cap would be adjusted after 1986 to reflect the termination of small issue IDBs scheduled under current law.

The following provisions apply to the implementation of the volume caps:

1. The volume cap for each State would be set by multiplying $150 by the population of the State (as most recently estimated by the Bureau of the Census).

2. For States whose 1983 volume of issuance exceeded $150 per capita, the cap for 1984 would be increased by 1/2 of the difference between the 1983 volume and the otherwise applicable cap. The volume for 1983 would be determined by annualizing the volume through September (to prevent a rush to market).

3. Refinancing of outstanding issues (so long as maturity is not extended) and rollover of short-term construction financing would not count towards the cap.

4. Each State's cap would be allocated according to the principles for allocation of mortgage subsidy bond authority. Thus, for each State, authority would be allocated 50 percent to the State and 50 percent to local issuers on the basis of population, unless the State legislature (or governor, on an interim basis) determines an alternate method of allocation. Local volume caps would be allocated to the smallest units which exercise general governmental powers and which have authority under the State constitution or statutes to issue bonds for these purposes. A special allocation would be made for constitutional home rule cities (as was the case for mortgage bonds).

5. State and local governments with authority to issue IDBs or student loan bonds could designate a portion of any one year's authority to be used in any one of the next three years for a specific project (other than a project to be financed with small issue IDBs) or for student loan bonds.

(MORE)

D. RESTRICTIONS ON ACRS DEDUCTIONS FOR IDB-FINANCED PROPERTY

Under present law, property financed with IDBs must generally be depreciated using the straight-line method over the ACRS recovery period. There are four exceptions to this rule: multi-family rental housing, sewage or solid waste disposal facilities, air pollution control facilities, and projects supported by UDAG grants. The Committee agreed to repeal these exceptions in all cases except multi-family rental housing.

E. OTHER PROVISIONS

1. Use of IDBs for Purchase of land or Existing Facilities. Under present law, there is no general limitation on the use of IDBs to acquire land or existing facilities. The Committee agreed to prohibit the use of IDBs to acquire land or existing facilities unless (1) the purchaser uses bond proceeds to finance a substantial rehabilitation of existing facilities, or (2) the purchaser uses bond proceeds to acquire farm or ranch land and (a) the purchaser is a first-time owner of farm or ranch land, (b) the purchaser operates the farm or ranch, and (c) where no more than $250,000 in small issue IDB financing per principal user is outstanding after issue.

2. Limitation on Small Issue IDBs Outstanding Per Principal User. Under present law, no more than $10 million of IDBs can be issued with respect to a single facility under the "small issue exception." This limitation does not prevent a single firm, for example a national retail chain, from using small issue IDBs to finance facilities in many different locations. The Committee agreed to allow small issue IDBs only to the extent that, for any one principal user, not more than $40 million of IDBs is outstanding after issuance. A rule was agreed to regarding the allocation of a particular bond issue among principal users for purposes of the $40 million limitation.

3. Denial of Tax-Exemption for Bonds Issued with Federal Guarantees. Under present law, some tax-exempt bonds are issued in conjunction with Federal government guarantees. An example is a bond issue the proceeds of which are deposited on behalf of each purchaser in an institution whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC), and the proceeds are then loaned to the user by the depository institution. The Committee agreed to deny tax-exemption in such cases to assure that no bonds would be more attractive than Treasury securities or the general obligation bonds of State and local governments. This provision would not apply in the case of FHA and VA home mortgage guarantees or student loan guarantees.

4. Extension of Code Provisions to Tax-Exempt Bonds Issued under Non-Code Provisions of Law. Under present law, some bonds derive their tax-exempt status from provisions of law other than the Internal Revenue Code. Examples include bonds issued by the District of Columbia, the possessions and certain bonds issued under the Housing Act of 1937. The Committee agreed to apply the tax-exempt bond provisions of the Code, for example, arbitrage restrictions and restrictions on industrial development bonds, to these non-Code bonds.

5. Small Issue Limitations Applied to Entire Projects. Under present law, the capital expenditure limitations applicable to small issue IDBs have been interpreted as applying to individual principal users. Thus, under condominium arrangements, office buildings have been financed with IDBs where the entire building would violate the capital expenditure limitations but no single condominium unit exceeds those limitations. The Committee agreed to amend the small issue capital expenditure limitations to prevent that result.

6. Principal User Rules. Under present law, a principal user of a facility financed by IDBs cannot own the bonds used to finance the facility. Because the regulations interpreting this provision provide a de minimus exception in the definition of principal user, under some partnership arrangements, the intent of the provision has been avoided. Under these arrangements, for example, a one percent partner in a firm may be able to own tax-exempt bonds used to finance the firm's facilities and be able to deduct a share of the interest paid on the bonds. The Committee agreed to amend the principal user provision to prevent this result

7. Arbitrage Rules. Under present law, the spread between the effective interest rate on mortgage subsidy bonds and the interest rate paid by homeowners who use the proceeds of the issue cannot exceed 1.125 percent. The Committee agreed to extend this rule to all IDBs and student loan bonds.

8. Prohibited Uses of Small Issue IDBs. Under present law, the proceeds of small issue IDBs cannot be used for certain specific purposes such as a country club, tennis club, hot tub facility or race track. The Committee agreed to add liquor stores, sky boxes in sports facilities, private airplanes and gambling establishments to the list of prohibited uses.

9. Mixed Use Projects. The Committee agreed to permit IDB financing for the multi-family rental housing portion of a project that includes some commercial or other use.

10. UDAG Supported Projects. The Committee agreed to increase, from $20 million to $25 million, the size of projects, supported with UDAG grants, that can be financed with small issue IDBs (up to the $10 million limit). Such grants must equal at least 5 percent of total capital expenditures for the project to qualify under this rule.

11. Airports. The Committee agreed to modify the public official approval rules of TEFRA in the case of airports located in more than one jurisdiction. In this case, it was agreed that the approval requirement could be met by the one jurisdiction which owns the airport.

F. EFFECTIVE DATES AND TRANSITION RULES

1. The provisions approved by the Committee would generally apply to bonds issued after December 31, 1983.

2. The provision denying tax-exemption for bonds guaranteed by the Federal government would be effective for bonds issued after April 14, 1983, in the case of bonds issued in connection with FDIC or FSLIC deposit insurance.

3. The restrictions on depreciation deductions for IDB-financed property would apply generally to property placed in service after December 31, 1983. However, the restrictions would not apply to a facility placed in service after December 31, 1983, if the original use commences with the taxpayer and either--

(a) construction of the facility had commenced before October 19, 1983, or

(b) a binding contract existed on October 18, 1983, and at all times thereafter, which committed the purchaser to incur significant expenditures (the lesser of $15 million or 20 percent of the total cost of the facility) for construction or acquisition of the facility, or

(c) a ruling request with respect to the use of the facility had been filed with the IRS by a government unit on or before October 18, 1983.

(MORE)

The restrictions would not apply to property placed in service after December 31, 1983, to the extent the property is financed with tax-exempt bonds issued before October 19, 1983.

4. The provisions with respect to Federally guaranteed bonds and the application of the small issue limitation would not apply to facilities if:

(a) the construction of the facility had commenced before October 19, 1983, or

(b) a binding contract existed on October 18, 1983, and at all times thereafter, which committed the purchaser to incur significant expenditures for construction or acquisition of the facility.

5. Any project which has received preliminary approval for IDB financing prior to October 19, 1983, would receive priority under volume caps for 1984, unless prohibited by State statute.

6. Certain additional transition rules were agreed to by the Committee.

* * * *

NOTICE

It is the policy of the Committee on Ways and Means to issue timely press releases with respect to decisions made by the Committee in the case of all major legislative markups. These press releases are necessarily brief in nature and only represent a summary of many complex legislative changes. These press releases should not be relied upon or cited as precedents or interpreted by taxpayers with respect to actual statutory language approved by the Committee.

November 8, 1983

The Honorable Robert Dole
Chairman
Senate Finance Committee
221 Senate Dirksen Office Building
Washington, DC 20510

Dear Chairman Dole:

Last July, the Senate endorsed the continuation of tax-exempt bond programs for home mortgages. Unfortunately, the mortgage bond provision was dropped in the conference on interest and dividend withholding because it had not yet been considered by the House. Now, the Ways and Means Committee has approved a bill that would extend the tax exemption on mortgage bonds. The time has come for the Senate Finance Committee to act on this legislation once again.

The Ways and Means Committee has approved a five-year extension on the tax exemption for qualified mortgage bonds, placing no new restrictions on the operation of these programs (except for a change in treatment of veterans bonds). In addition, the House bill would create the "mortgage credit certificate" option, whereby state and local agencies could elect to offer tax credits instead of tax-exempt financing.

If enacted, these provisions would allow mortgage revenue bond programs to continue without new rules and regulations that threaten to put them out of business. In just five years, the program would be up for review again, along with the tax credit plan, which would have been given a test as well.

While we have long supported the complete elimination of the sunset date on this important program, we recognize that some members of Congress continue to have concerns about the use of these bonds. The House position strikes a reasonable compromise. We urge the Senate Finance Committee to adopt similar language.

One aspect of the House bill which we do not support is the fact that qualified veterans bonds would count against the volume cap for mortgage revenue bonds. In the 1980 Act, Congress exempted veterans bonds from most of the restrictions governing "qualified mortgage bonds." This separate treatment reflects both the special purpose served by veterans programs and the belief that these issues—which are general obligation bonds—should not be subject to the same restrictions as revenue bonds. We see no justification for the change adopted in the House bill.

With this exception, however, we support the compromise on mortgage revenue bonds contained in the House bill. We ask the Senate Finance Committee to adopt these provisions as well.

National Governors' Association

National Association of Counties

National Association of Housing and Redevelopment Officials

Association of Local Housing Finance Agencies

National Association of Home Builders

National Lumber and Building Material Dealer's Association

Northeastern Retail Lumberman's Association

United States Conference of Mayors

National Conference of State Legislatures

Council of State Housing Agencies

American Institute of Architects

Council of State Community Affairs Agencies

National Association of Realtors

Public Securities Association

Alaska State Legislature

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REPRESENTATIVE WALT FURNACE
REPRESENTATIVE NIILO KOPONEN
REPRESENTATIVE JERRY WARD
REPRESENTATIVE RON WENDTE

**House Special Committee on
State Loans**

M E M O R A N D U M

Date: March 27, 1984

To: Members, House Special Committee on State Loans

From: Rep. Rick Uehling, Chairman

Subject: Changes in HB 663

I have asked staff to prepare the following outline of the Committee substitute for HB 663.

Sec. 1 Section 1 of the original version has been deleted in this version.

Sec. 2 is renumbered.

Sec. 3 Section 3 of the new version, which was Sec. 4, has been changed to bring the interest rate on the first $90,000 of mortgage purchased with tax-exempt bonds for the first time home buyers program under the same provisions for mortgages purchased with taxable bonds for the Special mortgage purchase program. The two programs would not be tied together as under the original bill, but would operate in the same manner, only independently.

The remaining sections have been renumbered.

RAU/as

Alaska State Legislature

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House Special Committee on State Loans

M E M O R A N D U M

DATE: March 15, 1984

TO: Members, House Special Committee on State Loans

FROM: Representative Rick Uehling

Subject: HB 663

I have requested staff prepare the following analysis of HB 663. The first of a series of four bills introduced by the Governor for the Alaska Housing Finance Corporation.

HB 663 is the longest and most complicated of the four bills to be introduced. It consists of 7 sections, two of which, the committee should examine more thoroughly.

Sec. 1) Would give the executive director the right to sell an issue of bonds within the frame work set by the board of directors of AHFC.

Sec. 6) Would raise AHFC's yearly bond issuance ceiling to 1.5 billion in bonds from a previous ceiling of 980 million. This would be an increase of 520 million dollars in bonds yearly.

Sections 2,3,4,5 contain technical changes and changes in drafting errors in already existing statutes. These changes create reorganization of the structure and the mechanics of AHFC. The effects of these changes and the details of how they would be carried out are not clearly delineated in the wording of the bill.

Section 7 provides and effective date of July 1, 1984.

A more detailed analysis will follow this brief overview.

Sec. 1) Would give the Executive Director of the AHFC the authority to sell bonds within a time framework set by the board of directors.

Q) Why is this change necessary?

Sec. 2) Restructures the organization of AHFC by eliminating the statutes that establish the Home Ownership Fund. AHFC would be required to implement a Home Ownership Assistance Program. In its companion bill, HB 664 all assets of the Home Ownership Fund are transferred to the Alaska Finance Revolving Fund. The Alaska Housing Finance Revolving Fund is then required to implement the Housing Ownership Assistance Program to assist persons of moderate and lower incomes. It is not clear how this change will effect AHFC's existing Home Ownership Fund program or in what manner the mobile home program is to continue.

Q) Why is not the existence of the Mobile Home Program clarified in the proposed changes to the statutes?

Sec. 3) Removes the owner occupied clause and limits the the borrower to one state subsidized housing loan, with one exception,(non owner occupied housing under AS 44.47.520). The question has arisen whether the change in wording is clear.

This section also would remove the AHFC loan-to-value limitation on loans that are federally insured or guaranteed. This has always been allowed with AHCF in the past, however due to a drafting error in the language used in the 1983 bill, these programs were excluded from 100% financing.

Sec. 4) This section would equalize the interest rate on the first $90,000. in three programs under the Alaska Housing Finance Corporation. The three programs are the Taxable Program, The First Time Home Buyers Tax-Exempt Program and the Veterans Mortgage Program. It would appear that AHFC could generate revenue from this arrangement due to the spread of interest rates.

Q) AHFC should provide to the committee the current interest rates for the 3 programs on the first $90,000. and what those rates would be changed to under this section.

Sec. 5) Clarifies and limits the AHFC bond obligations to the revenues and assets of the corporation.

Q) Why is this change necessary? Doesn't this limitation currently apply?

Sec. 6) Would raise AHFC's annual bonding authority from $980 million to $1.5 billion. This is an increase of $520 million of bonded indebtedness per year.

Q) Would a yearly limit of 1.3 billion be sufficient and if not, why?

Sec. 7) Provides an effective date of July 1, 1984.

Alaska State Legislature

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REPRESENTATIVE RON WENDTE

House Special Committee on State Loans

M E M O R A N D U M

Date: March 15, 1984

To: Members, House Special Committee on State Loans

From: Rep. Rick Uehling RU

Subject: HB664, HB666

I have requested staff to prepare the following analysis of HB664, and HB666.

HB664 is the second of four bills introduced by the Governor on behalf of the AHFC. Section 1 of HB664 appropriates the 1985 program receipts of AHFC back to the Alaska Housing Finance Revolving Fund. This transfer is necessary in order to avoid the appearance of any conflict with "dedicated funds" provision of the State Constitution. AHFC's FY85 Capital Budget Request of $16,000,000 is based on the retention of program receipts.

Section 2 of HB664 transfers all assets of the Home Ownership Fund to the Alaska Housing Finance Revolving Fund. This section relates to Section 2 of HB663 in which the Housing Ownership Fund is eliminated from statute. AHFC has stated that this is necessary to provide legal certainty for their Mobile Home Program.

[redacted] is the fourth of four bills introduced on behalf of the Governor. Section 1 would increase the <u>FY84</u> authorization for AHFC to issue bonds by $100,000,000. The Corporation is requesting this additional authorization in order to implement a bonding program for mobile homes in the current year.

CC

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

055

Revision Date

Page 1 of 2

REQUEST
Bill/Resolution No: HB 664
Title: An Act making appropriations to AHFC.
Sponsor: Governor
Requestor:
Date of Request:

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-0-	-0-	-0-	-0-	-	-

POSITIONS:

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Michael S. Lynch
Phone: 276-5599
Division: Alaska Housing Finance Corporation
Date:

Approved by Commissioner: [signature]
Date: 2/2/84
Agency: DOR

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

page 272 HB 664

Analysis for Governor's Bill on AHFC Appropriations:

Section 1 of this bill responds to a question which has been raised by the Attorney General's Office concerning the possibility that retention of some revenues and receipts of the Corporation may be in conflict with the "dedicated funds" provisions of the State Constitution. The Attorney General's Office has not yet answered that question. The bill removes any doubt as to the proper retention of revenues and receipts of the Corporation.

Section 2 of this bill transfers all assets of the Home Ownership Fund to the Alaska Housing Finance revolving fund which was established by the Legislature in 1983 to alleviate some of the "dedicated funds" questions and to facilitate a continuity of programs of the Corporation.

Alaska State Legislature

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REPRESENTATIVE RON WENDTE

House Special Committee on State Loans

Memorandum

Date: March 28, 1984

To: Members, House Special Committee on State Loans

From: Rep. Rick Uehling

Subject: HB 665, Bond authorization for AHFC

The following is an outline of the provisions of HB 665, which is an act authorizing the issuance of $700 million worth of tax-exempt housing bonds for veterans. As you may be aware, the Loans Committee passed similar legislation last year, authorizing a $500 million bond authorization for this program.

At the current time the Alaska Housing Finance Corporation has $900 million in authorized outstanding debt under this program. The authorization, if approved by the voters, would raise the total level to $1.6 billion under the Veterans' Home Loan Program.

It is important to remember that these bonds are backed by the full faith and credit of the State of Alaska. Although they are general obligation bonds they are secured by mortgage revenues.

The central question to be asked by the Committee, of each witness, is whether this bond authorization will in any way affect the capacity of the State to issue general obligation bonds for other important projects such as the Knik Arm Crossing, the State office building in Anchorage or the Susitna Project.

Alaska State Legislature

Speaker of the House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811
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Official Business

November 3, 1983

Ref for
HB 665.

By Rep. Rick Uehling

If not approved, the funds will be exhausted in two weeks, not by february, 1984, as was incorrectly reported in an earlier column. so to cotinue to have a good home loan program in southcentral alaska need to approve bonds so that the subisjdy from the legislature is lowered.

Alaska has one of the finest home laon programs in the nation. and for that to continue we must approve it.

it's one of the most successful and popular programs that truly benefits the citizens, the private sector, and stimulates the economy to the benefit of the home buyer.

Historically, when the Lower 48 was experiencing a very severe recession, the Alaska housing ifnance corporation was continuing to authorize and approve loans which kept our economy thriving while the rest of the nation basked in unemployment and economic stagnation.

As chairman aof the special committee on state loans, worked hard to clean up the statutes and stabilize a three-point, constant subsidy for the first $90,000 on single-family homes. That equates back to the home buyer who is purchasing a home at an interest rate between 10 and 11 percent. THis allows more home buyers to qualify for a home purchase than would otherwise be allowed.

At one time the national interest rate was 19 percent, while we were subisdizing down 7 percent, to 12 percent. Now, the interest rate floats at a steady three point rate. In future appropriations by the legisalature we now will be able to aproximate the cost of the subsidy to the Alaska Housing Finance Corporation in clear and decisive terms.

General obligatin bonds... but self-supporting and won't affecte the state's credit rating. State has a AA- minus rating and AHFC has a AA.

AHFC has had a excellent record. they are constantly looking for new ways to lower subsidy costs to the state. this particular issue of general obligation bonds for veterans.

it allows the state to utilize a benefit that the federal government offers states. that's the tax exempt benefit on revenue bonds.

state has offered veteran benefits for veterans in Alaska since the late 1940s, in the spirit of showing appreciation and gratitude to the veterans of foreign wars. the continuation of the veteran mortgage bonding program is essential fo- them.

though it is a benefit for veterans it is a $70 million savings in subsidy costs that can be utilized for eityher other housing programs, or for capital projects, like roads, sewers, schools and ......

Special commite on state loans took testimony from director of division of elections, Mary Lou Mieners, in a heated committee meeting the november 8th date for the election was set. concrete testimony indicated that having election any sooner and in conflict with village and municipal elections would confuse the voter. asside from that fact, under Title 29 the election codes must be uniform.

Preference for veterans is created in good faith and out of a sincere concern for the welfare of those men and women who made personal sacrifices for the sake of our countray's safety. Veterans' preference was designed to attract loyal and well discipline people to partriotic service and to reward veterans for the sacrifice of militray service.

But it doesn't just help the veterans. Other housing programs also reap the benefits from this bond proposal because it loosens up more money for other programs with AHFC, those being the home ownership assitance fund, the mobile home loan program, and the low-to-moderate income home loan program.

State guaranteed, tax-exempt bonds don't requrie as high a yielod to be marketable, thus it costs less to sell them than other types of bonds.

The availabitlity of a low-interest mortgate loan program for veterans provides a boost tot he housing market and thus the local economy of a given area by allowing a larger group of people to be eligible and participate in home buying.

The corporation estimates the $400 GO bond authorization for the Veterans Mortgage Program will be exhausted by the end of February 1984. Without legislation authoring a speical election to be held in 1983 to approve additional funding, the coprporation would be unalbe to operate the program from March 1984 untli January 1985.

In november 1982, the voters amende the constitution to allow GO bonds to be sold for the veteran's mortgage program and at the same time authorized the issuance of $400 million of bonds for this purpose. expected to last until 1984.

but overall increase in applications estimated funds to run out.

the 1982 votes was overwhelming, 63.9 percent to 36.1 percent in favor. alaskans have long supported this program.

Although the issuance of $500 million of general obligation bonds is truly an obligation, which carries the full faith and credit of the state of Alaska the issuance of these lies directly and responsibly on the shoulders of AHFC. Because AHFC has had an excellent record, an effective program, and a low defautl rate, this initiative should be approved.

Alaska HOUSING FINANCE CORPORATION

March 28, 1984

The Honorable Rick Uehling
Chairman
House Special Committee on Loans
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Chairman:

A committee substitute to HB 663 has been introduced which may have a substantial effect on the actual subsidy costs of the Special Mortgage Loan Purchase Program operated by Alaska Housing Finance Corporation and cause drastic disparities in interest rates available under various programs offered by the Corporation.

Section 3 of CS for HB 663 would establish the interest rate for residences financed under the Tax Exempt Mortgage Loan Purchase (first time homebuyers) Program at three percent below the cost of funds for the related tax exempt bond issue for the first $90,000 of the loan with the excess at the cost of funds (provided, however, that the rate may not be below ten percent unless the cost of funds is below ten percent). The original language of HB 663 established the rate on the first $90,000 of the loan at the rate then available under the Corporation's Taxable First Mortgage Program. This was a proposed modification to the existing provision which allows for a fixed ten percent rate to apply to the first $90,000 irrespective of what the actual cost of funds of the related issue may be or currrent rates available under the Taxable Program.

The Corporation's budget for FY 85 did not anticipate the sale of bonds under § 103A of the Internal Revenue Code due to the expiration of federal authorization for the issuance of the bonds. Consequently, the Corporation's concerns over the modification cannot be expressed in terms of the impact on the capital budget request for FY 85. What can be demonstrated, however, is the actual cost of the amendment given certain assumptions.

Should the authorization for tax exempt bonds be reinstated by Congress allowing the Corporation to issue $200 million of the bonds

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during FY 85, based upon current capital market interest rate levels the actual subsidy related to the tax exempt program may be $16 to $20 million greater with the committee substitute than it would be based upon the original provision of HB 663. This would result from the interest rate on the first $90,000 of a mortgage loan being one percent less with the substitute proposal, thereby increasing the required subsidy funds.

The Corporation suggested the change in the Tax Exempt Program setting the subsidized interest rate at the same rate available under the Taxable First Mortgage Program to increase the predictability of annual subsidy costs and provide equity in mortgage rates available under the Corporation's programs.

Also, as mentioned at the committee hearing the Corporation intends to finance the Mobile Home Loan Purchase Program through the issuance of bonds. An IRS revenue ruling is being requested to allow the bonds to be sold in the tax-exempt market pursuant to § 103(a) of the Internal Revenue Code. Currently, the statutes do not provide for the establishment of interest rates for loans purchased with the proceeds of such bonds.

Based upon the above, we recommend § 3 of CSHB 663 be as follows:

* Sec. 3. AS 18.56.098(g)(6) is amended to read:

(6) the interest rate on the first $90,000 of a mortgage loan purchased from the proceeds of bonds that are exempt from taxation [UNDER THE MORTGAGE SUBSIDY BOND TAX ACT OF 1980 (26 U.S.C. 103A), AS AMENDED] other than bonds that constitute qualified veterans' bonds under (i) of this section, is equal to the interest rate determined under (1) -- (4) of this subsection on a loan purchased under (a) of this section from the proceeds of the most recent applicable issue of taxable bonds sold by the corporation [10 PERCENT OR THE COST OF THE FUNDS, WHICHEVER IS LESS]. A higher or lower interest rate shall be establishes on the entire loan amount if required [UNDER THE MORTGAGE SUBSIDY BOND TAX ACT] to insure the tax-exempt status of the bonds.

Sincerely,

Michael S. Lynch
Executive Director
Alaska Housing Finance
Corporation

MSL:jas

ALASKA HOUSING FINANCE CORPORATION
HB 663

HB 663, introduced by the Governor, corrects drafting errors contained in the 1983 Legislation, incorporates clarifying amendments to AHFC statutes recommended by the Attorney General's Office, and amendments recommended by members of the Board and Staff which would allow the Corporation to maximize savings to the State and homebuyers and to respond to the anticipated funding level of mortgage demand for FY 1985.

Section 1

- Establishes the authority for the Executive Director to sell bonds within certain parameters established by the Board. The intent is to allow the Corporation the flexibility of selling bonds within a set time frame rather than a specific date and time. That could mean a potential savings for both the State and homebuyers as the Corporation could react to quickly changing market conditions much more rapidly.

Section 2

- Clarifies the statutory basis for the Home Ownership Assistance Program.

Section 3

- Clarifies the statute allowing one first mortgage loan per person from State loan programs. Present statutes (AS 18.56.098(f)(4)) requires that a residence for which the Corporation purchases a loan must be owner-occupied. Allowing only one State loan at a time to a person would more clearly state what is implied.

- Corrects statutory language to allow 100 percent financing for loans which are federally insured or guaranteed. 1983 Legislation unintentionally excluded federally insured loans and 95 percent financing for mobile homes. AHFC has always allowed both and it is felt they were excluded due to a drafting error.

Section 4

- Sets the rate on the first $90,000 for the tax-exempt First Time Homebuyer's program at the same rate as the taxable program. The tax-exempt rate on the first $90,000 remains at 10 percent unless the cost of funds falls below 10 percent. The intent of this legislation is for the rates on the Veterans Mortgage Program, the Taxable Program, and the Tax-Exempt Program to be set so they are the same for the first $90,000, the amount of the loan subsidized by the State.

Section 5

- Clarifes the ability of the Corporation to incur a general obligation.

Section 6

- Raises AHFC's 12-month bonding authority from $980 million to $1.5 billion. AHFC is estimating for FY 1985 budget purposes that mortgage demand will be $1.316 billion of which $1.150 billion will need to be funded by bond proceeds. The present twelve-month bond authorization level is $980 million. A level of $1.5 billion would cover all contingencies.

A breakdown of the bonding levels anticipated for each program is attached.

APPENDIX A

Revised 2-22-84

ALASKA HOUSING FINANCE CORPORATION
SPECIAL MORTGAGE LOAN PURCHASE PROGRAM
SUMMARY OF MORTGAGE DEMAND AND PROPOSED BOND FINANCINGS
Fiscal Year 1985

(In Millions)

	Estimated Carry-Over From FY '84	Program Repayments And Earnings	Bond Proceeds	Sales Costs	Subsidy	Subsidy Allocation	Estimated Carry-Over To FY '86	Estimated FY '85 Mortgage Demand
Taxable First Mortgage Program								
State Assisted Mortgage Bonds - Single-Family and Duplex		$ 44	$ 575	$(11)	$ 149	$ 15	$ 100	$ 672
Triplex and Four-plex	$ 5	25					5	25
First Mortgage Veterans' Program - State Guaranteed Veterans' Bonds	(27)		575	(12)	86		75	547
Mobile Home Loan Bond Program	84						14	70
Taxable Second Mortgage Program - Second Mortgage Bonds	12						10	2
Reserve to Complete Open Series	—	—	—	—	15	(15)	—	—
TOTAL	$ 74	$ 69	$1,150	$(23)	$ 250	$ -	$ 204	$1,316

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