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ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

February 15, 1983

MEMORANDUM

TO: Representative Rick Uehling
FROM: Leslie Longenbaugh, Research Staff ^{LL}
RE: Agricultural Revolving Loan Fund and Loan Programs in
the Department of Commerce and Economic Development
Research Request Number 83-73

Bill Lovell asked that we provide the following information regarding State loan programs:

- the number and dollar amount of loans made by the Agricultural Revolving Loan Fund during FY 82, according to the types of loans;
- the most accurate data available concerning each of the loan programs of the Department of Commerce and Economic Development, including rates of delinquency and default, the number and dollar amounts of loans outstanding, and the administrative structure of the programs.

Table 1 on the following page gives the requested information on the loans made by the Agricultural Revolving Loan Fund.

Table 2, on page 3, presents delinquency and default rates for all of the loan programs administered by the Department of Commerce and Economic Development.

I refer you to House Research Agency Report 82-A, State Loan Programs: A Review of Administration, Funding and Activity, revised February 1, 1983, for information regarding the administrative structure of each of the loan programs in DCED.

If we can be of further assistance, please call on us.

LL

Table 1
Agricultural Revolving Loan Fund
Loans Approved, By Type: FY 82

Type of Loan	Number	Dollar Amount	Percentage of FY 82 Total Dollar Amount Approved
Farm Development	75	\$ 6,086,558	45.5%
Chattel (except irrigation)	79	3,675,397	27.5%
Operating	76	2,699,042	20.2%
Farm Product Processing	4	925,811	6.9%
Irrigation Systems	0	0	0.0%
Total	<u>234</u>	<u>\$13,386,808</u>	

House Research Agency, 2/14/83

Note: Because of rounding, percentages do not add up to 100.0%.

Included in the 75 loans made for "farm development" during FY 82 were some seventeen loans, totaling approximately \$350,000, for clearing agricultural land.¹ These loans account for approximately 2.6% of the total dollar amount approved for lending during the fiscal year.

¹Richard Rusteck, Loan Manager, Agricultural Revolving Loan Fund, Division of Agriculture, Department of Natural Resources, Wasilla; telephone: 376-3276.

Table 2
Delinquency and Default
Loan Programs in the Department of Commerce and Economic Development^a

Loan Programs	Delinquent Loans		Loans in Default ^h		Loans Outstanding	
	#	%	#	%	#	\$(millions) ^c
<u>Division of Business Loans and Veterans' Affairs^d</u>						
Alternative Technology and Energy Revolving Loan Fund	316	18.6%	2	0.1%	1,690	7,700,000
Bulk Fuel Revolving Loan Fund	3	20.0%	0	0.0%	15	935,000
Child Care Facility Revolving Loan Fund	2	13.3%	0	0.0%	15	350,000
Commercial Fishing Revolving Loan Fund ^e	385	25.6%	10	0.7%	1,506	70,500,000
Fisheries Enhancement Revolving Loan Fund	0	0.0%	0	0.0%	59	22,300,000
Historical District Revolving Loan Fund	1	20.0%	0	0.0%	5	271,000
Mining Loan Fund	13	61.0%	0	0.0%	21	9,600,000
Residential Energy Conservation Fund	125	9.8%	1	0.1%	1,267	4,700,000
Small Business Revolving Loan Fund	235	39.7%	13	2.2%	591	69,400,000
Tourism Revolving Loan Fund	11	55.0%	2	10.0%	20	7,200,000
Veterans' Revolving Loan Fund	520	11.2%	14	0.3%	4,615	217,100,000
Water Resources Revolving Loan Fund	0	0.0%	0	0.0%	1	909,000
Subtotals and Averages for Division	1,611	16.4%	42	0.4%	9,804	\$410,965,000
<u>Division of Insurance</u>						
Medical Malpractice Revolving Loan Fund	0	0.0%	0	0.0%	1	\$ 1,920,000
<u>Instrumentalities</u>						
Alaska Industrial Development Authority ^f						
AIDA-purchased	20	4.8%	1	.2%	420	\$118,655,784
Appropriated to AIDA	64	.8%	8	1.0%	778	126,902,522
Alaska Power Authority						
Power Project Fund	0	0.0%	0	0.0%	7	5,028,937
Rural Electrification Revolving Loan Fund	0	0.0%	0	0.0%	1	1,340,000
Alaska Resources Corporation	14	25.0%	11	19.6%	56	26,354,920
Subtotals and Averages for Instrumentalities	98	7.8%	20	1.6%	1,262	\$278,282,163
TOTALS and Averages	1,709	15.4%	62	0.6%	11,067	\$691,167,163

Footnotes, Table 2

- a Numbers for the Division of Business Loans and Veterans' Affairs are from the end of January 1983 (dollar amounts for the outstanding loans are from the end of December 1982); the information about the Division of Insurance, AIDA, the Rural Electrification Revolving Loan Fund and ARC is from the end of December 1982; and the data for the Power Project Fund date from the end of September 1982.
- b Loans in default are defined as delinquent loans that have been turned over to legal counsel.
- c Except for the Power Project Fund of the Alaska Power Authority, outstanding loans include principal and do not include interest. Figures for the Division of Business Loans and Veterans' Affairs are round numbers.
- d The delinquency rates given for several of the loan programs administered by the Division of Business Loans and Veterans' Affairs are somewhat higher than the actual rates in those programs. According to Don Hostak, Director of the Division, his office has not yet completed the task of entering all loan repayments, unposted and extensions on the computer.
- e Figures for the Commercial Fishing Revolving Loan Fund include the defunct Fishermen's Mortgage and Note Fund as well.
- f The legislature appropriated loans to the Authority from the Division of Business Loans and Veterans' Affairs in 1980.