

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 86/2

1738 HLC TELECOM. 1981 - 1/14/82 NAACP/AIDA/AHFC

MEMORANDUM

TO: All Interested Parties

December 14, 1981

FROM: Ray Tyson, administrative assistant ^{RT}
House Labor and Commerce Committee

Subj: Telecommunications

Attached is a copy of a memorandum sent to Billy Berrier of the state Division of Legal Services requesting a draft of a House Concurrent Resolution spelling out the committee's policy on statewide telecommunications.

Keep in mind that the committee is only requesting a draft, not the final legislation which will be introduced early next session. The draft can be altered or expanded. Hopefully, the draft will be available for public review prior to January 1.

The committee feels the attached memo reflects concerns expressed by the public during hearings held in Anchorage and Fairbanks during the interim.

If you have any additional requests, please put them in writing and send them to the committee office prior to January 1. The address: 921 West 6th Avenue, Suite 250, Anchorage, Ak., 99501.



Official Business

Alaska State Legislature

House of Representatives

HOUSE LABOR AND COMMERCE COMMITTEE
921 West 6th Avenue.
Suite 250
Anchorage, Ak 99501
272-6922

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

December 14, 1981

TO: Billy Barrier, director
Division of Legal Services

FROM: Representative Terry Martin, chairman *T.M.*
House Labor and Commerce Committee

Subj: Telecommunications

I am requesting that your office draft a House Concurrent Resolution spelling out our policy on statewide telecommunications. The sponsor is the House Labor and Commerce Committee.

Please incorporate the following in the Resolution:

-- Whereas a significant and increasing amount of public funds is being invested in telecommunications systems; and

-- Whereas it should be the role of state government to encourage and not compete with the private sector; and

-- Whereas the private sector which deals in Alaska telecommunications faces a crowding out by government in the wake of increasing state wealth; and

-- Whereas the private sector has been the foundation and vitality of the American Democratic and economic system; and

-- Whereas the Alaska State Legislature lacks a policy regarding the burgeoning telecommunications system;

Be it resolved that the Alaska State Legislature should take the following into account to serve as guidelines when considering telecommunications appropriations:

-- When and where possible, the state Divisions of Telecommunications should procure services from private enterprise or certified and franchised utilities and contract for the construction, management, operation and maintenance of telecommunications systems.

-- When and where possible, the state Divisions of Telecommunications should reduce or eliminate airwave interference of state owned or financed stations with privately owned and operated cable television stations.

-- Artificial regulatory and government barriers for growth and development of new and innovative services by the private sector should be removed.

-- Companies owned and operated by Alaska residents and based in Alaska should be given a competitive edge over Outside interests.

-- Alaska's villages should have the opportunity to own, operate and maintain their own satellite earth stations.

-- In-state programming or Bush programming can be beneficial to sectors of the Alaskan community. However, the Divisions of Telecommunications should not only assure that such programs are cost effective, but production of these programs should be available to the private sector on a contract or bid basis.

-- No commercial advertisements shall be carried in state funded or state subsidized programs or in programs transmitted by state funded or state subsidized satellite channels.

-- The Legislature should encourage commercial radio and television news coverage of the legislative sessions by making equipment, space and satellite time available to the private sector. This would serve as a meaningful and efficient and non-controversial method of communicating legislative affairs to the public.

Billy, the committee would like a draft of the resolution by January 1, so that copies can be available to the various parties interested in this legislation.

Thanks for your help.

need telecommunications ~~at~~ commission, because:

- federal govt (FCC) is deregulating many areas & turning authority over to state govt

- state has shown itself to be less than responsible, as evidenced last summer in approving broadcast authority for publ. & broadcasting stations over existing commercial channels

- state needs an agency to make policy decisions in ^{other areas} ~~the~~ ~~state~~ ~~delegated~~ by FCC

- state of the art is ~~rapidly~~ becoming more ~~technical~~ technical & encompassing more areas (computer systems, audio/~~and~~ visual, image transmission); legislature ~~state govt~~ does not have technical ~~&~~ expertise to knowledgeably regulate these areas.

- supreme court decision barring monopolistic awards (by local govt agencies) ~~to~~ of telecommunications services providers

- to provide a "check" on administration's telecommunications & data supply systems for protection of the state's people

Notes for
press release -
unread

1-13-82

MINUTES -

LABOR DEPT.

OVERVIEW

HOUSE LABOR & COMMERCE
 STANDING COMMITTEE
 January 13, 1982
 1:08 p.m.

Members Present: Rep. Martin, Chairman
 Rep. Bylsma
 Rep. Randolph
 Rep. Rogers

Members Absent: Rep. Gardiner

COMMITTEE CALENDAR

Overview presentation by State Department of Labor

WITNESS REGISTER

Commissioner Edmund Orbeck
 Department of Labor
 State of Alaska
 Juneau, Alaska 99811
 465-2700

Position Statement: Spoke of impact of federal budget cuts and funding needs.

Jacquelyn McClintock, Director
 Division of Workers Compensation, Department of Labor
 State of Alaska
 Juneau, Alaska 99811
 465-2790

Position Statement: Discussed budget, vacancies, and workload.

Dale Cheek, Director, Labor Standards & Safety
 Department of Labor
 State of Alaska
 Juneau, Alaska 99811
 465-4870

Position Statement: Discussed impact on staff and services if budget not increased.

John Post, Director, Division of Administrative Services
 Department of Labor
 State of Alaska
 Juneau, Alaska 99811
 465-2720

Position Statement: Described reports given to legislature last year; gave estimate of budget impact if division funding not increased.

Judy Knight, Special Assistant
 Department of Labor

State of Alaska
Juneau, Alaska 99811
465-2700

Position Statement: Explained influx of job seekers from outside state and described department's methods of distributing job information.

Glenn Lundell, Deputy Commissicner
Department of Labor
State of Alaska
Juneau, Alaska 99811
465-2701

Position Statement: Spoke of problems still existing with resident hire.

A.G. Zillig, Director, Division of Employment Security
Department of Labor
State of Alaska
Juneau, Alaska 99811
465-2712

Position Statement: Was available to answer questions.

PREVIOUS ACTION

Not applicable.

ACTION NARRATIVE

Tape #001
Recording
Number 0001

The meeting of the House Labor & Commerce Committee was called to order by Chairman Martin at 1:08 p.m. Committee members present were: Representatives Martin, Bylsma, Randolph, and Rogers. Representative Gardiner was absent.

Number 0090

Edmund Orbeck, Commissioner of the Department of Labor, spoke of the impact of federal budget cuts. He discussed employment security; remedies for budget shortages; Job Service functions; and fish negotiations. Rep. Rogers asked what methods were being used to cut back expenditures. Director Zellig and Commissioner Orbeck explained probable and known federal plans to cut back Job Service, and the need for additional funding. Chairman Martin (meter no. 321) asked about a voucher system making use of private employment agencies as an alternative to Job Service. Considerable discussion ensued.

Number 0567

Commissioner Orbeck gave an introduction to Workers Compensation. Director McClintock came forward to expand on subject. She predicted no impact on agency if budget was not increased, as long as there were no new requirements (meter no. 650). Director McClintock, during a discussion of new and vacant positions, said there is a vacancy factor of six months after resignation of an employee. Comm. Orbeck said it is easier to create a new position than fill an existing position. Rep. Rogers raised the possibility of abolishing the Division of Personnel (meter no. 683); Chairman Martin took that suggestion under advisement. Dir. McClintock discussed computer service and advantages. When questioned by Chairman Martin as to workload, Dir. McClintock gave figures and an explanation. There were questions by the committee. Chairman Martin asked why workers compensation rates were increasing. Comm. Orbeck responded (meter no. 804). Rep. Rogers observed that 1975-76 changes in benefits and action by Division of Insurance to allow price fixing may have caused cost increases up to 50%.

Number 0816

Comm. Orbeck gave overview of Division of Labor Standards & Safety. In response to questions by Rep. Rogers, Comm. Orbeck explained media campaign, and responded to Rep. Rogers that Don Williams was individual handling fraudy ads for job placement. There was discussion between Comm. Orbeck, Chairman Martin, and Rep. Rogers regarding non-Alaska residents looking for work in Alaska.

Number 0928

Dale Cheek, Director of Labor Standards & Safety, told what would be impact on his staff and services if his budget is not increased. Cheek told how he could use his staff more efficiently. Comm. Orbeck and Dir. Cheek discussed OSHA budget.

Number 0998

John Post, Director of the Division of Administrative Services, described reports given to the legislature last year and elaborated on that information: population information; unemployment handbook; evaluation of Lower Yukon-Kuskokwim labor market; and gave an estimate of budget impact if division funding was not increased.

Number 1085

Judy Knight, Special Assistant to the Commissioner, explained the influx of job seekers from Lower 48. She described brochures printed with job information for Alaska, and use of the brochures by various agencies and individuals. She stated that fifty percent of the people applying for services were from outside the state. Copies of the study were requested by the committee. There was some discussion of using the news media as another means of getting information dispersed. Knight explained the impact of employment security without fully-funded Job Service.

Number 1170

Glenn Lundell, Deputy Commissioner, spoke of problems still existing with resident hire. Lundell addressed public opinion that union leaders give jobs to out-of-state residents. Comm. Orbeck suggested contacting unions.

Number 1230

As there were no further items to come before the committee at this time, the Chairman adjourned the meeting at 2:48 p.m.

COMMITTEE MINUTES

COMMITTEE House Labor & Commerce

HEARING DATE January 13, 1982

TAPE NO. 1, Side A

The meeting was called to order by Chairman Martin at 1:08 p.m., in the House Labor & Commerce Committee Room, Behrends Building, Juneau, Alaska. Committee members present in addition to the Chairman were Representatives Bylsma, Randolph and Rogers. Committee staff in attendance were Mary Isaacs and Joan Mathews. Representative Gardiner was absent.

The committee schedule called for an overview presentation by the State Department of Labor. Testifying before the committee were: Commissioner Edmund Orbeck; Glenn H. Lundell, Deputy Commissioner; Judy G. Knight, Special Assistant; Dale Cheek, Director, Division of Labor Standards and Safety; A.G. Zillig, Director, Division of Employment Security; Jacquelyn McClintock, Director, Division of Workers Compensation; and John Post, Director, Division of Administrative Services.

Commissioner Orbeck spoke of impact of federal budget cuts. Discussed employment security (meter no. 090); remedies for budget shortages (meter no. 132); Job Service functions (meter no. 170); fish negotiations (meter no. 220). Representative Rogers asked what methods were being used to cut back expenditures. Director Zellig and Commissioner Orbeck explained probable and known federal plans to cut back job service, and need for additional funding. Chairman Martin (meter no. 321) asked about a voucher system making use of private employment agencies as an alternative to Job Service. Considerable discussion ensued (through meter no. 561).

Commissioner Orbeck gave an introduction to Workers Compensation (meter no. 567). Director McClintock came forward to expand on subject. She predicted no impact on agency if budget was not increased, as long as there were no new requirements (meter no. 650). Dir. McClintock, during a discussion of new and vacant positions, said there is a vacancy factor of 6 months after resignation of an employee. Comm. Orbeck said it is easier to create a new position than fill an existing position. Rep. Rogers raised the possibility of abolishing the Division of Personnel (meter no. 683); Chairman Martin took that suggestion under advisement.

McClintock discussed computer service and advantages (meter no. 708). When questioned by Chairman Martin as to workload, Dir. McClintock gave figures and an explanation. There were questions by Rep. Bylsma (meter no. 765), Rep. Rogers (meter no. 773), and Chairman Martin (meter no. 787). Chairman Martin asked why workers compensation rates were increasing. Comm. Orbeck responded (meter no. 804). Rep. Rogers (meter no. 820) observed that 1975/76 changes in benefits and change by Division of Insurance to allow price fixing may have caused cost increases up to 50%.

House Labor & Commerce
Committee Minutes
Meeting of 1/13/82

Comm. Orbeck gave overview of Division of Labor Standards & Safety (meter no. 826). In response to questions by Rep. Rogers, Comm. Orbeck explained media campaign (meter no. 871), and responded to Rep. Rogers that Don Williams was individual handling fraudulent ads for job placement. There was discussion between Comm. Orbeck, Chairman Martin, and Rep. Rogers regarding non-Alaska residents looking for work in Alaska.

Dale Cheek, Director of Labor Standards & Safety (meter no. 928), told what would be the impact on his staff and services if his budget is not increased. Cheek (meter no. 965) told how he could use his staff more efficiently. Comm. Orbeck and Dir. Cheek (meter no. 991) discussed OSHA budget.

John Post, Director of the Division of Administrative Services (meter no. 998) described reports given to legislature last year, and elaborated on that information: population information (meter no. 1015); unemployment handbook (meter no. 1024); evaluation of Lower Yukon-Kuskokwim labor market (meter no. 1032); and gave an estimate of budget impact if division funding was not increased.

Judy Knight, Special Assistant (meter no. 1085), explained influx of job seekers from Lower 48. She described brochures printed with job information for Alaska, and use of the brochures by various agencies and individuals. She stated (meter no. 1115) that 50% of the people applying for services were from outside the state. Copies of the study were requested by Reps. Rogers and Martin. There was some discussion of using the news media as another means of getting information dispersed (meter nos. 1135-1164). Knight explained (meter no. 1165) the impact of employment security without fully funded Job Service.

Glenn Lundell, Deputy Commissioner (meter no. 1170) spoke of problems still existing with resident hire. Lundell addressed (meter no. 1196) public opinion that union leaders give jobs to out-of-state residents. Comm. Orbeck suggested (meter no. 1219) contacting unions.

As there were no further items to come before the committee at this time, the Chairman adjourned the meeting at 2:48 p.m.

MINUTES REVIEWED AND APPROVED:

Representative Terry Martin, Chairman
House Labor & Commerce Committee

on computer 2/5/82

ALASKA DEPARTMENT OF LABOR

Organizational Chart

****** Executive Order No. 52 will consolidate the Division of Occupational Safety and Health and the Division of Wage & Hour/Mechanical Inspection. The consolidated division will be titled the Division of Labor Standards and Safety.

Dale Cheek, Director

COMMISSIONER
Edmund N. Orbeck

Deputy Commissioner
Glenn H. Lundell

Special Assistant
Judy G. Knight

Information Officer

Division of Occupational Safety and Health

Division of Employment Security
A.G. Zillig, Director

Division of Wage & Hour / Mechanical Inspection

Division of Workers' Compensation
Jacquelyn Q. McClintock, Director

Division of Administrative Services
John Past, Director

Safety Compliance
Health Compliance

Voluntary Compliance
Consultation - Safety and Health Training
First Aid Instructors Certification
Explosives Handlers Certificate of Fitness

Employment Service
Alien Immigration Certification
Counseling/Testing Services
Disabled Veteran Outreach Program (DVOP)
Employer Services
Employment Service Complaint System
Federal Bonding Program
Federal Contractor Job Listing Program
Food Stamp Work Registration
Interstate Clearance Order Program
Job Service Improvement Program (JSIP)
Job Service Offices
Monitor Advocate/Affirmative Action
Older Worker Program
Targeted Jobs Tax Credit (TJTC)
Trade Readjustment Assistance (TRA)
Veteran's Employment Program
Work Incentive Program (WIN)
Young Adult Conservation Corps (YACC)
Youth Conservation Corps (YCC)
Youth Employment Service (YES)

Unemployment Insurance
Accounts and Contributions
Appeals
Benefits

Data Processing

Wage and Hour
Wage Claims
Child Labor Law
Public Contracts Employment
Minimum Wage & Overtime
Equal Pay for Women
Private Employment Agencies
Fish Buyers & Processors Bond
Return Transportation
Enforce Contractor's Licensing
Construction Contractors Licenses
Electrical Contractors Licenses

Mechanical Inspection
Boiler & Pressure Vessel Inspections
Electrical Inspections
Elevator Inspections
Plumbing Inspections
Certificates of Fitness
Electrical Plumbing
Boiler & Pressure Vessel Licenses

Unemployment Insurance Fraud Investigations

Workers' Compensation
Employer Insurance Compliance
Executive Officer Waiver
Self Insurance

Workers' Compensation Claims and Hearings

Fishermen's Fund

Second Injury Fund
Compensation Reimbursement
Vocational Rehabilitation

Research and Analysis
Reports & Labor Market Information
Population Information
Division Research Support
Unemployment Insurance
Workers' Compensation
Occupational Safety and Health
Special Research
Occupational Information
Employment Forecasts

Fiscal Services
Budgets
Contracts
Federal Accounting
State Accounting
UI Fiscal Accounting

Internal Review

Office Services
Supply
Mail Room

Personnel
Labor Relations
Position Classification
Employee Counseling
Employee Training/Development

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

Date: 1/13/82

Place: Committee Room

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	✓		1:00	2:48
Rep. D. Randolph	✓		1:07	2:48
Rep. B. Rogers	✓		1:07	2:48
Rep. T. Gardiner		✓		
Rep. T. Martin, Chair	✓		12:55	2:48

Subject Matter: *Overview - presentation by Department of Labor*

House Bill No. _____

Senate Bill No. _____

Special Orders:

1:20 Rep. Randolph left rm; returned 1:30

MEMORANDUM

DEPARTMENT OF LABOR

State of Alaska

EMPLOYMENT SECURITY DIVISION

TO: Jerry Reinwand
Executive Assistant
Office of the Governor

DATE: January 7, 1982

FILE NO: AK (FIM 9-1)

TELEPHONE NO: 465-2712

FROM: *A.G. Zillig*
A. G. Zillig, Director
Employment Security Division

SUBJECT: Federal Budget Cuts

from a copy for u - for notes m.d.

In the absence of additional funding, and since the federal funding cuts are retroactive October 1, 1981, the Employment Security Division will be required to significantly reduce staff as shown by the following data:

	<u>ES</u>	<u>UI</u>	<u>AS&T</u>	<u>TOTAL</u>
1) Average annual PS/PB rate	\$ 37,345	\$ 37,345	\$ 37,345	\$ 37,345
2) Earliest date layoff can be effected	1/31/82	1/31/82	1/31/82	1/31/82
3) PS/PB cuts	1,299,607	261,415	224,070	1,785,092
4) PS/PB cuts adjusted to 6/30/82	974,705	196,061	168,053	1,338,819
5) Adjusted average annual PS/PB rate to five months (2/1/82 to 6/30/82)	15,560	15,560	15,560	15,560
6) Reduction in staff (line 4 ÷ line 5)	63	13	11	87
7) Estimated loss of non-personal services (NPS) funds for FFY 82	336,000	69,329	58,663	463,992
8) Adjusted loss of NPS to 6/30/82	252,000	51,997	43,997	347,994
9) Reduction in staff to accommodate loss of NPS funds	16	3	3	22
10) Total cuts adjusted to 6/30/82 (line 4 ÷ line 8)	1,226,705	248,058	212,050	1,686,813
(line 6 ÷ line 9)	79	16	14	109

Additional funds in the amount of \$1,686,813 will allow the Employment Security Division to maintain the level of services as planned in our Federal Plan of Service to June 30, 1982, with all offices remaining operational.

Option #1

Provide additional state funding in the amount of \$1,124,500 to maintain staffing at present levels until March 31, 1982; thereby giving the State Legislature and Congress an opportunity to address the problem. If additional funding is not appropriated, reduce offices to five -- Anchorage, Fairbanks, Juneau, Ketchikan, and Kenai -- as of April 1, 1982.

Option #2

Since the 12% reduction is for the entire federal fiscal year 1982, \$754,334 must be absorbed in the five months remaining in the state fiscal year. Even with \$754,000 in state aid, it will still require a layoff of 36 positions in order to stay within the federal funds granted, which were just made known as of January 7, 1982.

Option #3

A \$250,000 less funding level from Option #2 would require an additional layoff of 16 staff, making a total of 52. The diminution of funding disproportionately reduces the ability to provide direct services to the public because of fixed costs and program requirements.

Option #4

No additional state funding. Lay off staff and cover shortfall with existing funds. This would require closure of all offices except Anchorage, Juneau, Fairbanks, and Ketchikan, which would remain open at considerably reduced levels. Place all claimants except those at above locations on mail claim basis.

cc: Susan Green, Special Assistant
Office of the Governor

REPORT OF PLACEMENT ACTIVITIES & STAFFYEARS USED

	<u>Placement Activity</u>	<u>Federal Base Job Service Staff.</u>
FY 75 July '74 - June '75	24,945	175.6
FY 76 12 months through June '76	25,687	} 130.06
15 months through September '76	35,073	
FY 77 October '76 - September '77	29,277	150.0
FY 78	30,802	135.7
FY 79	31,199	144.8
FY 80	31,632	141.9
FY 81	34,024	141.3

<u>Local Office</u>	<u>Job Openings Filled</u>	
	<u>FY 80</u>	<u>FY 81</u>
Juneau	2,776	2,986
Sitka	703	887
Ketchikan	2,087	1,994
Petersburg	947	933
Anchorage	12,750	12,986
Mat-Su	1,346	1,468
Glennallen	530	317
Bethel	921	120
Dillingham	239	209
Homer Outreach	833	1,433
Dutch Harbor	--	153
Valdez *	--	134
Kenai	1,408	1,695
Kodiak	699	782
Seward	1,369	1,408
Fairbanks	4,051	5,531
Barrow	173	222
Nome	440	541
Fairbanks (rural)	45	116
Kotzebue	161	91
Tok **	<u>147</u>	<u>218</u>
TOTAL	<u>31,625</u>	<u>33,725</u>

*Can these jobs be divided
into public & private?
Seasonal jobs.
Part-time jobs
fulltime jobs*

Total federal budget FY 80 \$6,172,293 ÷ placements 31,625 = \$195 cost per placement

Total federal budget FY 81 \$7,258,120 ÷ placements 33,725 = \$215 cost per placement

* Now part of Glennallen

** Was 4501 Fairbanks rural

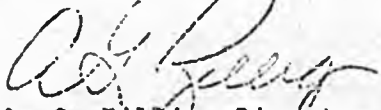
MEMORANDUM
DEPARTMENT OF LABOR

State of Alaska
EMPLOYMENT SECURITY DIVISION

TO: Jerry Reinwand
Executive Assistant
Office of the Governor

DATE: January 5, 1982

FILE NO: AK (FIM 9-2)


FROM: A. G. Zillig, Director
Employment Security Division
Department of Labor

TELEPHONE NO: 465-2712

SUBJECT: Reduction in Federal
Receipts to Fund ES and UI

Attached for your information is a copy of a memorandum dated January 5 to Commissioner Edmund Orbeck that further expands upon the information provided in my memorandum to you dated December 13, 1981.

Although we still have not received notification of the reduction in writing, I have been informed by telephone by Don Balcer, Regional Administrator, Employment & Training Administration, that the cut will be 12% of the total grant, with 80% of the amount to be applied to the Employment Service and 20% to the Unemployment Insurance program.

cc: Susan Green, Special Assistant
Office of the Governor

Attachment

MEMORANDUM

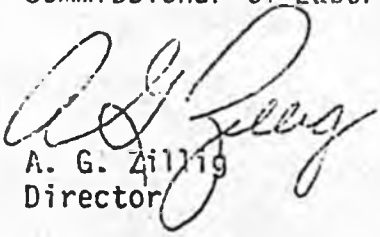
State of Alaska

TO: Edmund N. Orbeck
Commissioner of Labor

DATE: January 5, 1982

FILE NO: AK (FIM 9-2)

TELEPHONE NO: 465-2712

FROM: 
A. G. Zilling
Director

SUBJECT: Proposed Staff Reduction Due to 12% Cut in Federal Funds

In response to your request that I outline the impact of the twelve percent cut to ES and UI grants for operation of the Employment Service and Unemployment Insurance programs, I have prepared the following information.

We still have not received the amount of the reduction to Alaska in writing from the Employment and Training Administration so it was necessary to develop this plan based on the most recent information available by telephone. The information received is that the cut will be twelve percent of the total grant with eighty percent of that amount being applied to the Employment Service programs and twenty percent applied to the Unemployment Insurance program. The twelve percent reduction is for the entire FFY 1982, but must be absorbed in the nine months remaining. Dedicated funds for special programs now conducted by ES such as Monitor Advocate, and LMI will be eliminated.

This plan is also developed on the basis that reductions in fixed non-personal services cannot be achieved in time to significantly impact this years outlays so most if not all the reductions must be absorbed in the personal services category.

The following chart reflects the proposed overall reductions:

Total Budget FP-3 1982 PBP	\$15,603,436	
Mandated Cut	12%	
Total dollars to be cut Retroactive to 10/1/81	\$1,872,412	
<u>Administrative Services Division</u>		
Indirect Budget for FFY 1982	\$1,544,250	
Less 12% Cut	(A) 185,310*	Eq Pos 6.6
Revised Budget FFY 1982	\$1,358,940	
LMI Budget for FFY 1982	\$244,460	
Eliminate the Program	(A) 183,345*	Eq Pos 5.1
Revised Budget FFY 1982	\$61,125	
Direct UI Funding - R&A & Fiscal Budget for FFY 1982	\$169,85	
Less Allocated Cut	44,758*	Eq Pos 1.3
Revised Budget FFY 1982	\$125,095	
Total Reduction Administrative Services Division	\$413,413*	Eq Pos 13.0

Employment Security Division

Employment Service

Budget FFY 1982	\$6,730,923	
Less 30% of (12% Cut Less (A) \$368,655)	<u>1,203,005*</u>	Eq Pos 42.95
Revised Budget FFY 1982	\$5,527,918	

Additional Reduction necessary to fund Accrued Leave and delayed layoff	\$196,063*	Eq Pos 7.00
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Unemployment Insurance		
Budget FFY 1982	\$8,872,513	
Less 20% of (12% Cut Less (A) \$368,655)	<u>300,752*</u>	Eq Pos 10.41
Revised Budget FFY 1982	\$8,571,761	

Additional Reduction necessary to fund Accrued Leave and delayed layoff	\$144,340*	Eq Pos 5.0
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Total Reduction ESD	\$1,844,160*	Eq Pos 65.36
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Labor Standards & Safety Division*

UI Investigations		
Budget FFY 1982	\$245,805	
Less Allocated Cut	<u>110,612*</u>	Eq Pos 3.0
Revised Budget FFY 1981	\$135,193	

*Inter-Agency Transfer non add

Grand Total all Cuts	\$2,368,185	Eq Pos 78.36
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The amount to be cut may vary slightly from program to program when the final allocation from ETA is received. But the adjustment will be minimal when related to the overall cut.

In the absence of additional federal funding we can only maintain the following offices with federal funds beyond July 1, 1982,

- Anchorage
- Fairbanks
- Juneau
- Kenai
- Ketchikan

making it necessary to close twelve offices at that time and sharply reduce employment services in the above offices.

The attached exhibits reflect where the positions will be cut by section and local office.

Attachment

EMPLOYMENT SERVICE FUNDING SOURCES

	ES Grants			State (9) Funded (mo)	Total FY 82	ES Grants		Total Staff State/Fed 1/1/82
	FY 81	10/1/81	Reduction 10/1/81			1/1/82	Reduction 1/1/82	
ES Mgmt & Tech	14.0	11.0	- 3.0	0	11.0	6.0	- 5.0	6.0
Data Processing	4.0	4.0	0	0	4.0	4.0	0	4.0
SE Reg. Mgr.	1.0	1.0	0	0	1.0	1.0	0	1.0
Juneau EC	13.0	10.0	- 3.0	2.0	12.0	5.0	- 5.0	7.0
Sitka EC	2.0	2.0	0	0	2.0	1.0	- 1.0	1.0
Petersburg EC	1.0	1.0	0	1.0	2.0	1.0	0	2.0
Ketchikan EC	10.0	8.5	- 1.5	1.0	9.5	4.5	- 4.0	5.5
Total SE Reg.	<u>27.0</u>	<u>22.5</u>	<u>- 4.5</u>	<u>4.0</u>	<u>26.5</u>	<u>12.5</u>	<u>-10.0</u>	<u>16.5</u>
Central Reg. Mgr.	6.0	3.7	- 2.3	0	3.7	1.7	- 2.0	1.7
Anchorage EC	52.2 *	45.5	- 6.7	7.0	52.5	30.3	-15.2	37.3
Mat-Su EC	5.5	5.0	- .5	0	5.0	1.0	- 4.0	1.0
Kenai EC	3.9	3.9	0	0	3.9	1.0	- 2.9	1.0
Kodiak EC	2.0	1.8	- .2	0	1.8	1.0	- .8	1.0
Seward EC	3.1	2.1	- 1.0	0	2.1	1.0	- 1.1	1.0
Bethel EC	.7	0	- .7	1.0	1.0	0	0	1.0
Dillingham EC	.6	0	- .6	1.0	1.0	0	0	1.0
Glennallen EC	.6	0	- .6	1.0	1.0	0	0	1.0
Homer Outreach	.7	0	- .7	1.0	1.0	0	0	1.0
Dutch Harbor	0	0	0	.8	.8	0	0	.8
ES Seafood	0	0	0	1.0	1.0	0	0	1.0
Total Cen. Reg.	<u>75.3</u>	<u>62.0</u>	<u>-13.3</u>	<u>12.8</u>	<u>74.8</u>	<u>36.0</u>	<u>-26.0</u>	<u>48.8</u>
Northern Reg. Mgr.	3.9	3.6	- .3	0	3.6	3.2	- .4	3.2
Fairbanks EC	18.4 *	17.1	- 1.3	1.8	18.9	8.3	- 8.8	10.1
Barrow EC	.6	0	- .6	1.0	1.0	0	0	1.0
Nome EC	1.0	0	- 1.0	1.0	1.0	0	0	1.0
Kotzebue EC	.5	0	- .5	1.0	1.0	0	0	1.0
Tok EC	.6	0	- .6	1.0	1.0	0	0	1.0
Total N. Reg.	<u>25.0</u>	<u>20.7</u>	<u>- 4.3</u>	<u>5.8</u>	<u>26.5</u>	<u>11.5</u>	<u>-9.2</u>	<u>17.3</u>
GRAND TOTAL	<u>145.3</u>	<u>120.2</u>	<u>-25.1</u>	<u>22.6</u>	<u>142.8</u>	<u>70.0</u>	<u>-50.2</u>	<u>92.6</u>

* Includes DVOP

UNEMPLOYMENT INSURANCE FUNDING SOURCES

	<u>FY 81</u>	<u>10/1/81</u>	<u>Difference</u> <u>10/1/81</u>	<u>State</u> <u>Funded</u>	<u>Total</u> <u>1/1/82</u>	<u>1/1/82</u>	<u>Reduction</u> <u>1/1/82</u>	<u>Total Staff</u> <u>1/1/82</u>
Fiscal	1.0	1.3	.3		1.3	1.0	- .3	1.0
LS&S	5.0	5.0		6.0	11.0	2.0	-3.0	8.0
A&C	33.7	36.6	2.9	2.0	38.6	31.6	-5.0	33.6
R&A	2.7	2.4	- .3		2.4	1.4	-1.0	1.4
Mgmt. Support	4.0	3.5	- .5		3.5	2.0	-1.5	2.0
Director's Office	.5	.5			.5	∅	- .5	∅
UI Tech Unit	7.4	7.3	- .1		.3	4.1	-3.2	4.1
SE Region	1.1	1.2	.1		1.2	1.1	- .1	1.1
Central Region	2.6	3.1	.5		3.1	2.6	- .5	2.6
Northern Region	<u>1.0</u>	<u>1.3</u>	<u>.3</u>		<u>1.3</u>	<u>1.0</u>	<u>- .3</u>	<u>1.0</u>
GRAND TOTAL	59.0	62.2	3.2	8.0	70.2	46.8	-15.4	54.8

*Post
marked*

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

JAY S. HAMMOND, GOVERNOR

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

*Copy for w.
for notes.*

December 17, 1981

RECEIVED

DEC 22 1981

M E M O R A N D U M

To: Honorable Jay S. Hammond -
Governor

From: Wilson L. Condon
Attorney General *by WLC*

Re: Attached bill on consolidation
of building regulation functions
Our file: J-77-031-82

✓ Verbeek, for
Nix
Webber
Stevens
Burger
Reinhardt
Dodson
Sawby
Lehr
Terry Dale

OFFICE OF THE COMMISSIONER

Attached is a bill which will consolidate the primary building regulation functions, presently scattered among three departments, into the Department of Labor. This project has been a priority of the Regulatory Reform program in the Office of Special Projects and has been the subject of meetings including representatives from the Departments of Labor, Public Safety and Commerce and Economic Development. Such a consolidation is intended to assure that a single agency will be responsible to both public and professionals for plan review, technical assistance and inspections.

A draft transmittal letter to the legislature is also attached.

WLC:bap:KMK

- cc w/enc.: Honorable Edmund N. Orbeck
Commissioner
Department of Labor
- Honorable William Nix
Commissioner
Department of Public Safety
- Honorable Charles Webber
Commissioner
Department of Commerce & Economic Development

*cc: Dale Check
Don Callahan*

DRAFT

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the consolidation of existing building regulation functions.

Various building inspection functions are currently housed in the Department of Public Safety, division of fire prevention (AS 18.70.010 -- 18.70.300 and AS 18.72.010 -- 18.72.060), and in the Department of Commerce and Economic Development (contractor licenses [AS 08.18.011 -- 08.18.171] and the Board of Electrical Examiners [AS 08.40.005 -- 08.40.200]). The bill would move these functions to the Department of Labor, which would also retain its jurisdiction over boiler and pressure vessel inspection; certificates of fitness for electricians and plumbers; refrigerator inspection; elevator inspection; the electrical code; the plumbing code; and safety glazing.

This bill is the result of consultation with the three departments affected. It is intended to assure that a single agency will be responsible to the public, industry, and local governments for existing state services for plan reviews, technical assistance, and inspections.

Sincerely,

Jay S. Hammond,
Governor

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to consolidation of building regu-
7 lation functions."

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

9 * Section 1. AS 08.18.011 is amended to read:

10 Sec. 08.18.011. REGISTRATION REQUIRED. It is unlawful for a
11 person to submit a bid or work as a contractor until he has been issued
12 a certificate of registration by the Department of Labor (COMMERCE). A
13 partnership or joint venture shall be considered registered if one of
14 the general partners or venturers whose name appears in the name under
15 which the partnership or venture does business is registered.

16 * Sec. 2. AS 08.18.121(f) is amended to read:

17 (f) If the commissioner (OF LABOR) determines that a person is
18 acting as a contractor in violation of this chapter, he shall give
19 written notice prohibiting further action by the person as a contractor.
20 The prohibition continues until the person has submitted evidence accep-
21 table to the commissioner (OF LABOR) showing that the violation has
22 been corrected.

23 * Sec. 3. AS 08.18.121(g) is amended to read:

24 (g) A person affected by an order issued under this chapter may
25 seek equitable relief preventing the commissioner (OF LABOR) from enforc-
26 ing the order.

27 * Sec. 4. AS 08.18.131 is amended to read:

28 Sec. 08.18.131. INJUNCTION. In an action instituted in the super-
29 ior court by the commissioner (OF LABOR) or his representative, a

1 person acting in the capacity of a contractor in violation of this
2 chapter may be enjoined from doing so.

3 * Sec. 5. AS 08.18.171(i) is amended to read:

4 (1) "commissioner" ["COMMISSIONER", UNLESS THE TEXT READS OTHER-
5 WISE,] means the commissioner of the Department of Labor [COMMERCE AND
6 ECONOMIC DEVELOPMENT];

7 * Sec. 6. AS 08.18.171 is amended by adding a new paragraph to read:

8 (4) "department" means the Department of Labor.

9 * Sec. 7 AS 08.40.010 is amended to read:

10 Sec. 08.40.010. CREATION AND MEMBERSHIP OF BOARD. There is crea-
11 ted in the Department of Labor a Board of Electrical Examiners consist-
12 ing of three members, two of whom are licensed electrical administrators
13 and one of whom is a public member. The public member of the board may
14 not:

15 (1) be an electrical administrator;

16 (2) be associated by legal contract with an electrical admin-
17 istrator except as a consumer of the services provided by an electrical
18 administrator; or

19 (3) have a direct financial interest in an electrical adminis-
20 tration business.

21 * Sec. 8. AS 08.40.040 is amended to read:

22 Sec. 08.40.040. BOARD MEETINGS. The board shall hold a regular
23 annual meeting. The board may hold special meetings at the call of the
24 chairman with prior approval of the governor. Two members constitute a
25 quorum. The board shall notify the department of its meeting dates at
26 least 15 days before the meeting.

27 * Sec. 9. AS 18.40.200 is amended by adding a new paragraph to read:

28 (6) "department" means the Department of Labor.

29 * Sec. 10. AS 18.70.010 is amended to read:

1 Sec. 18.70.010. GENERAL FUNCTION OF DEPARTMENT OF LABOR [PUBLIC
2 SAFETY] WITH RESPECT TO FIRE PROTECTION. The Department of Labor [PUB-
3 LIC SAFETY] shall foster, promote, regulate, and develop ways and means
4 of protecting life and property against fire, explosion, and panic.

5 * Sec. 11. AS 18.70.020 is amended to read:

6 Sec. 18.70.020. DUTIES OF DEPARTMENT OF LABOR [PUBLIC SAFETY].
7 The Department of Labor [PUBLIC SAFETY] shall aid in the enforcement of
8 all laws and ordinances and the rules and regulations adopted under
9 AS 18.70.010 -- 18.70.100 and all other laws relating to fires or to
10 fire prevention and protection, and shall encourage the adoption of fire
11 prevention measures by means of education, and shall prepare or have
12 prepared for dissemination information relating to the subject of fire
13 prevention and extinguishment.

14 * Sec. 12. AS 18.70.030 is amended to read:

15 Sec. 18.70.030. INVESTIGATION OF FIRES RESULTING FROM CRIME. If
16 there is reason to believe that a fire has resulted from crime or that
17 crime has been committed in connection with a fire, the Department of
18 Labor [PUBLIC SAFETY] shall report that fact in writing to the district
19 attorney of the judicial district in which the fire occurred. If the
20 fire occurred in an incorporated city with a regularly organized fire
21 department, the investigation and report shall be made in conjunction
22 with the fire official of that area.

23 * Sec. 13. AS 18.70.040 is amended to read:

24 Sec. 18.70.040. COOPERATION WITH FIRE INSURANCE COMPANIES. The
25 Department of Labor [PUBLIC SAFETY] may assist, receive assistance from,
26 and otherwise cooperate with an investigator or agent employed by a fire
27 insurance company licensed to do business in the state, or with an in-
28 vestigator or agent employed by an association of insurance companies
29 licensed to do business in the state.

1 * Sec. 14. AS 18.70.050 is amended to read:

2 Sec. 18.70.050. POWER OF DEPARTMENT TO INSPECT BUILDINGS. The
3 Department of Labor [PUBLIC SAFETY] may enter any building subject to
4 regulation under AS 18.70.080 during reasonable hours for the sole
5 purpose of inspecting the property or abating a fire hazard.

6 * Sec. 15. AS 18.70.060 is amended to read:

7 Sec. 18.70.060. REMOVAL OF PROPERTY FROM FIRE. During a fire and
8 in the absence of the owner or claimant, the Department of Labor [PUBLIC
9 SAFETY] may protect personal property affected by removing it. If the
10 owner or claimant does not take charge of the property within 24 hours
11 the Department of Labor [PUBLIC SAFETY] may store it at the owner's or
12 claimant's expense.

13 * Sec. 16. AS 18.70.070 is amended to read:

14 Sec. 18.70.070. ABATEMENT OF FIRE HAZARDS. The Department of
15 Labor [PUBLIC SAFETY] may require the owner of a commercial business or
16 public property to abate a fire hazard which exists in violation of law
17 or regulations, and the Department of Labor [PUBLIC SAFETY] may take
18 appropriate action to assure such abatement.

19 * Sec. 17. AS 18.70.080 is amended to read:

20 Sec. 18.70.080. REGULATIONS. The Department of Labor [PUBLIC
21 SAFETY] shall adopt [RULES AND] regulations for the purpose of protect-
22 ing life and property from fire and explosion by establishing minimum
23 standards for

24 (1) fire detection and suppression equipment;

25 (2) fire and life safety criteria in commercial, industrial,
26 business, institutional or other public building, and buildings used for
27 residential purposes containing four or more dwelling units;

28 (3) any activity in which combustible or explosive materials
29 are stored or handled in commercial quantities;

1 (4) conditions or activities carried on outside a building
2 described in (2) or (3) of this section likely to cause injury to per-
3 sons or property.

4 * Sec. 18. AS 18.70.081 is amended to read:

5 Sec. 18.70.081. APPROVAL OF FIRE PROTECTION SYSTEMS. Before
6 October 30 of each year the Department of Labor [PUBLIC SAFETY] shall
7 prepare and make available a list of approved fire protection systems to
8 the Department of Community and Regional Affairs, the Department of
9 Commerce and Economic Development, and the public.

10 * Sec. 19. AS 18.70.090 is amended to read:

11 Sec. 18.70.090. ENFORCEMENT OF REGULATIONS. The Department of
12 Labor [PUBLIC SAFETY] and the chief of each city fire department and
13 their authorized representatives in their respective areas may enforce
14 the regulations adopted by the Department of Labor [PUBLIC SAFETY] for
15 the prevention of fire or for the protection of life and property against
16 fire or panic. All state peace officers may assist the Department of
17 Labor [PUBLIC SAFETY] in the enforcement of AS 18.70.010 -- 18.70.100
18 and the regulations adopted under it. The authority conferred in AS 1-
19 8.70.010 -- 18.70.100 extends to the enforcement of the provisions of
20 AS 11.46.400 -- 11.46.430.

21 * Sec. 20. AS 18.70.100 is amended to read:

22 Sec. 18.70.100. VIOLATION. (a) A person who violates any pro-
23 vision of AS 18.70.010 -- 18.70.100 or the published [RULES AND] regula-
24 tions or orders adopted under it from which no appeal has been taken
25 within 30 days after the issuance of a final order is, severally, for
26 each violation, guilty of a class B misdemeanor [, AND IS PUNISHABLE BY
27 A FINE OF NOT MORE THAN \$500, OR BY IMPRISONMENT FOR NOT MORE THAN SIX
28 MONTHS, OR BY BOTH]. A person aggrieved by a final order of the Depart-
29 ment of Labor [PUBLIC SAFETY] may appeal to the superior court within 30

1 days after the issuance of the order. The imposition of one penalty for
2 a violation does not excuse the violation and a person guilty of a
3 violation shall correct the violation within a reasonable time. When
4 not otherwise specified, each 10 days that a prohibited condition is
5 maintained is a separate offense.

6 (b) The application of the penalty prescribed in (a) of this section
7 does not prevent the Department of Labor [PUBLIC SAFETY] from
8 enforcing the removal of the prohibited conditions.

9 * Sec. 21. AS 18.72.050(2) is amended to read:

10 (2) "fire safety code" means the fire safety code of the
11 state adopted and administered by the [DIVISION OF FIRE PREVENTION OF
12 THE] Department of Labor [PUBLIC SAFETY];

13 * Sec. 22. AS 08.01.010(7) is repealed.
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HOUSE LABOR & COMMERCE

Orbeck?

Commissioner, spoke of impact of ^{federal} budget cuts. Discussed employment security (090); remedies for budget shortages (132). job service functions (170). fish negotiations (220).

Rogers - question (245) about methods being used to cut back expenditures. (264) Zellig helped explain why add'l funds needed. (273) Orbeck predicted federal plans to cut job sec. (281) Rogers gets further re ESC & job sec; Zellig responded. (296) Martin questions about job placement to Zellig & Commissioner. (321) Martin gets about voucher system as alternative to job ~~system~~ service.

(337) Rogers & Martin discussed placement agencies.

Rogers ~~was~~ asked if closing one of a keeping bush ofcs open; (358) Zellig response; (370) Comm explained budget alternatives;

(387) Rogers questioned if Kewai ofc wd be closed or not w/o add'l funds; (397) Martin asked how much needed to stay

open th/April; (403) Rogers / Comm.; (415) Rogers - retroactive budget cuts; (424) Zellig - ~~the~~ ^{consider} dates of budget cuts; (433)

Rogers recommended wk g w/ AG to ^{consider} file suit re retroactive cuts; (0442) Bylama - what wd employers do if no JS -

Zellig response. (452) Martin; (459) Rogers - ^{fish} processors labor probe (going outside) w/o job sec. (472) Comm - ofc expenses of bush offices. (481) Martin - do area residents now have

good idea, ^{now} what employers to contact for seasonal employment? (492) Rogers - too many applicants w/o screening sec.

(499) Randolph - ratio of sec cost per capita in smaller communities. (507) Rogers - ~~discussions~~ may be higher in rural comm., but may be otherwise filled by non-residents.

(518) Zellig - report by Stanford Research gr find JS reduced unemp time. (530) Randolph - cost of JS & unemp rising.

(537) Bylama - why did placement in Bethel drop; Zellig - CETA cuts.

(546) ~~to~~ Comm. - fishing industry knew employers & bypassed JS.

(552) Martin - do outside corps still "import" lge share of ~~of~~ emp from outside. (561) Comm & Zellig - many (on slope) Alaskan placed by JS

1:00
Randolph

(567) Intro to Wkra Comp; wkly wage average (589); (602) class action re lwr paynt to those outside state. (617) HB 659 may cover inequity. (621) Martin - bill scheduled for wk. 1/25.

1:51
Byloma left
1:52 netd

~~(628) Paul & Jeff~~ (635) Introduced Mc Clintock. (637) Rogers - ~~of Div - we held to~~ impact if budget held at bottom line. ~~Mc Clintock -~~ (no growth). (650) ^{McC} no impact if no new requests. (659) Comm -

their posn is good posn. (664) Martin - any posns open? ^{McC -} (666) ^{McC} most on board. Vacancy factor of 6 months after resignation. (673) Comm - easier to create new posn than fill existing posn.

(683) Rogers - Finance will cut some agencies - perhaps recommend abolishing Div. of Personnel. (692) Martin will take under advisement. (694) recap of mtgs & (704) Martin - 2/9

~~(697)~~ sit in on mtg. (708) McC continued. discussed computer service & advantages. (745) McC - employer booklet. (750) Martin - what is wk load (750) McC - figures & explanation. (765) Byloma questions (to clarify). (773) Rogers - will 1951 claims be added ¹⁷⁷⁵ ^{McC} - active claims will.

(787) Martin asked total cost of 1981 claims settlements. (789) ¹⁷⁹¹ McC - can get that info from carriers. ¹⁷⁹¹ Comm - comments & impmt figures. (800) Martin - why are rates increasing? (804) Comm response & explanation. (800) Rogers - 75/76 change in benefits & change by Div of Ins to allow price fixing - may have caused up to 50% increase in costs.

Comm - overview of (806) ¹⁷⁹¹ Labor Standards & Safety (853) Rogers asked name of person handling fraudy ads for job placement (Don Williams).

(871) Comm explained media campaign (877) Martin (876) Rogers - contacted print media? (877) Comm - yes. (890) Martin - noticed more out of state people looking for work (892) Comm - after lot of mailing, drop in unemp claims. (898) Rogers - comments (gas line may entice). (901) Comm - services affected.

(928) Labor Standards guy told impact on his staff - says if budget is not increased.

ask her
for ag →
of agenda
of mtgs
coming up.

unidentified guy - George something?

Judy Knight

(951) unidentified woman talk of vacancies; (952) LS & S guy elaborated. (958) Martin - question; (960) Comm response re executive order. Unid. guy (965) told how he'd use his staff more efficiently. Q & A various issues. (991) Comm

& guy - OSHA budget.

John Post

(996) Comm ^{with Post; (998) Post;} overview on admin swa. (1009) Post described ^{described} reports given to legis. last yr. Elaborated on reports - population info (1015); (1024) unemployment handbook; evaluation of Lower Yukon - Kuokukwim labor market (1032);

(1045) gave estimate of budget impact if funds not increased.

(1066) Rogers asked zero-growth input. (1067) Post - slower service, less financial, planning, & other info.

(1080) Rogers requested reports

(1083) Comm. noted ombudsman swa has improved.

(1085) Judy _____ - ^{explained} job seekers (from Lower 48) & brochures printed w/ job info for Alaska & use of brochures by various orgs (agencies) & individuals. (1115) 50% of people applying for service

from Lower 48. (1101) Rogers & Martin requested copy of study.

(1102) Judy continued describing circulation of brochures & releases.

(1109) potential problem w/ lack of funds; (1135) Rep Martin asked abt making use of news media; (1138) Judy explained what happened w/ PM Magazine & other orgs, & prob dealing w/ media.

(1164) Martin - impact on emp sec w/ JS cut? (1165) Judy explained impact.

(1170) Comm. int'd Glenn Sundell. (1175) Rogers asked abt resident hire. (1177) Sundell - problems still exist

(1190) Martin - constituents seem to think union leaders giving jobs out of state. (1196) Comm. addressed this. (1215) Martin pursued question; (1219) Comm. suggested contacting unions.

(1236) closing comments by Commissioners.

1-14-82

NAACP

AIDA

AHFC



ALASKA INDUSTRIAL DEVELOPMENT AUTHORITY

February 28, 1982

The Honorable Terry Martin
Chairman
House Labor and Commerce Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

RE: House Resolution No. 17

Dear Representative Martin:


Regarding the above-referred resolution, AIDA as a secondary investor has no information in its files concerning race or national origin of the borrowers. We refer you to the Federal Reserve System Equal Credit Opportunity Regulation B, Section 202.5(d)(5) which states:

"A creditor shall not request the race, color, religion, or national origin of an applicant or any other person in connection with a credit transaction. A creditor may inquire, however, as to an applicant's permanent residence and immigration status."

Additionally, our records would not reflect the applications that are declined at the originating lender level and, therefore, never even come to our office for consideration.

For these reasons, we are making no fiscal note request for appropriation at this time. If we can further assist you in this matter, please advise.

Sincerely,


H.A. Hoffman
Executive Director

HAH:ZJ:ty

ENC: ECOA Reg. B, Section 202.5 (d)

listing or otherwise, to applicants or prospective applicants that would discourage on a prohibited basis a reasonable person from making or pursuing an application.

(b) **General rules concerning requests for information.** (1) Except as otherwise provided in this section, a creditor may request any information in connection with an application.⁴

(2) Notwithstanding any other provision of this section, a creditor shall request an applicant's race/national origin, sex, and marital status as required in section 202.13 (information for monitoring purposes). In addition, a creditor may obtain such information as may be required by a regulation, order, or agreement issued by, or entered into with, a court or an enforcement agency (including the Attorney General or a similar State official) to monitor or enforce compliance with the Act, this Part, or other Federal or State statute or regulation.

(3) The provisions of this section limiting permissible information requests are subject to the provisions of section 202.7(e) regarding insurance and sections 202.8(c) and (d) regarding special purpose credit programs.

(c) **Information about a spouse or former spouse.** (1) Except as permitted in this subsection, a creditor may not request any information concerning the spouse or former spouse of an applicant.

(2) A creditor may request any information concerning an applicant's spouse (or former spouse under (v) below) that may be requested about the applicant if:

(i) the spouse will be permitted to use the account; or

(ii) the spouse will be contractually liable upon the account; or

(iii) the applicant is relying on the spouse's income as a basis for repayment of the credit requested; or

(iv) the applicant resides in a community property State or property upon which the applicant is relying as a basis for repayment of the credit requested is located in such a State; or

(v) the applicant is relying on alimony, child support, or separate maintenance payments from a spouse or former spouse as a basis for repayment of the credit requested.

(3) A creditor may request an applicant to list any account upon which the applicant is liable and to provide the name and address in which such account is carried. A creditor may also ask the names in which an applicant has previously received credit.

(d) **Information a creditor may not request.** (1) If an applicant applies for an individual, unsecured account, a creditor shall not request the applicant's marital status, unless the applicant resides in a community property State or property upon which the applicant is relying as a basis for repayment of the credit requested is located in such a State.⁵ Where an application is for other than individual, unsecured credit, a creditor may request an applicant's marital status. Only the terms "married," "unmarried," and "separated" shall be used, and a creditor may explain that the category "unmarried" includes single, divorced, and widowed persons.

(2) A creditor shall not inquire whether any income stated in an application is derived from alimony, child support or separate maintenance payments, unless the creditor appropriately discloses to the applicant that such income need not be revealed if the applicant does not desire the creditor to consider such income in determining the applicant's creditworthiness. Since a general inquiry about income, without further specification, may lead an applicant to list alimony, child support, or separate maintenance payments, a creditor shall provide an appropriate notice to an applicant before inquiring about the source of an applicant's income, unless the terms of the inquiry (such as an inquiry about salary, wages, investment income, or similarly specified income) tend to preclude the unintentional disclosure of ali-

⁴ This subsection is not intended to limit or abrogate any Federal or State law regarding privacy, privileged information, credit reporting limitations, or similar restrictions on obtainable information. Furthermore, permission to request information should not be confused with how it may be utilized, which is governed by section 202.6 (rules concerning evaluation of applications).

⁵ This provision does not preclude requesting relevant information that may indirectly disclose marital status, such as asking about liability to pay alimony, child support, or separate maintenance; the source of income to be used as a basis for the repayment of the credit requested, which may disclose that it is a spouse's income; whether any obligation disclosed by the applicant has a co-obligor, which may disclose that the co-obligor is a spouse or former spouse; or the ownership of assets, which may disclose the interest of a spouse, when such assets are relied upon in extending the credit. Such inquiries are allowed by the general rule of subsection (b)(1).

mony, child support, or separate maintenance payments.

(3) A creditor shall not request the sex of an applicant. An applicant may be requested to designate a title on an application form (such as Ms., Miss, Mr., or Mrs.) if the form appropriately discloses that the designation of such a title is optional. An application form shall otherwise use only terms that are neutral as to sex.

(4) A creditor shall not request information about birth control practices, intentions concerning the bearing or rearing of children, or capability to bear children. This does not preclude a creditor from inquiring about the number and ages of an applicant's dependents or about dependent-related financial obligations or expenditures, provided such information is requested without regard to sex, marital status, or any other prohibited basis.

(5) A creditor shall not request the race, color, religion, or national origin of an applicant or any other person in connection with a credit transaction. A creditor may inquire, however, as to an applicant's permanent residence and immigration status.

(e) **Application forms.** A creditor need not use written applications. If a creditor chooses to use written forms, it may design its own,⁷ use forms prepared by another person, or use the appropriate model application forms contained in Appendix B. If a creditor chooses to use an Appendix B form, it may change the form:

(1) by asking for additional information not prohibited by this section;

(2) by deleting any information request; or

(3) by rearranging the format without modifying the substance of the inquiries; provided that in each of these three instances the appropriate notices regarding the optional nature of courtesy titles, the option to disclose alimony, child support, or separate maintenance, and the limitation concerning marital status inquiries are included in the appropriate places if the items to which they relate appear on the creditor's form. If a creditor uses an appropriate Appendix B model form or to the extent that it modifies such a form

⁷ A creditor also may continue to use any application form that complies with the requirements of the October 28, 1975 version of Regulation B until its present stock of those forms is exhausted or until March 23, 1978, whichever occurs first. The provisions of this Part shall not determine and are not evidence of the meaning of the requirements of the previous version of Regulation B.

in accordance with the provisions of clauses (2) or (3) of the preceding sentence or the instructions to Appendix B, that creditor shall be deemed to be acting in compliance with the provisions of subsections (c) and (d).

SECTION 202.6—RULES CONCERNING EVALUATION OF APPLICATIONS

(a) **General rule concerning use of information.** Except as otherwise provided in the Act and this Part, a creditor may consider in evaluating an application any information that the creditor obtains, so long as the information is not used to discriminate against an applicant on a prohibited basis.⁷

(b) **Specific rules concerning use of information.** (1) Except as provided in the Act and this Part, a creditor shall not take a prohibited basis into account in any system of evaluating the creditworthiness of applicants.^b

(2)(i) Except as permitted in this subsection, a creditor shall not take into account an applicant's age (provided that the applicant has the capacity to enter into a binding contract) or whether an applicant's income derives from any public assistance program.

(ii) In a demonstrably and statistically sound, empirically derived credit system, a creditor may use an applicant's age as a predictive variable, provided that the age of an elderly applicant is not assigned a negative factor or value.

(iii) In a judgmental system of evaluating creditworthiness, a creditor may consider an applicant's age or whether an applicant's income derives from any public assistance program only

⁷ The legislative history of the Act indicates that the Congress intended an "effects test" concept, as outlined in the employment field by the Supreme Court in the cases of *Griggs v. Duke Power Co.*, 401 U.S. 424 (1971), and *Albemarle Paper Co. v. Moody*, 422 U.S. 405 (1975), to be applicable to a creditor's determination of creditworthiness. See Senate Report to accompany H.R. 6516, No. 94-589, pp. 4-5; House Report to accompany H.R. 6516, No. 94-210, p. 5.

^b This provision does not prevent a creditor from considering the marital status of an applicant or the source of an applicant's income for the purpose of ascertaining the creditor's rights and remedies applicable to the particular extension of credit and not to discriminate in a determination of creditworthiness. Furthermore, a prohibited basis may be considered in accordance with section 202.8 (special purpose credit programs).

HOUSE LABOR & COMMERCE
 STANDING COMMITTEE
 January 14, 1982
 1:10 p.m.

Members Present: Rep. Martin, Chairman
 Rep. Bylsma
 Rep. Gardiner
 Rep. Randolph

Members Absent: Rep. Rogers

COMMITTEE CALENDAR

Teleconference to consider possible minority discrimination in
 the financial community.

WITNESS REGISTER

Senator Arliss Sturgulewski
 Alaska State Senate
 Pouch V
 Juneau, Alaska 99811
 465-3818
 Position Statement: Sat in on committee hearing.

Louis Overstreet
 Minority Business Assistance Center
 street address not given
 Anchorage, Alaska
 phone not given
 Position Statement: Spoke of problems minorities have getting
 funds.

Tom Stoner
 self
 4543 Lake Otis Pkwy., #112
 Anchorage, Alaska
 277-5882
 Position Statement: Outlined his grievances with AHFC.

G.A. "Buzz" Hoffman
 Alaska Industrial Development Authority
 1577 C Street
 Anchorage, Alaska
 274-1651
 Position Statement: Gave background on AIDA programs and
 minority statistics.

Harry F. Goldbar
 Alaska Housing Finance Corporation
 235 East 8th

Anchorage, Alaska
276-5599

Position Statement: Spoke about equal credit opportunity act and record-keeping.

Ed Wesley

National Association for the Advancement of Colored People (NAACP)
PO Box 405
Anchorage, Alaska 99510
274-4319

Position Statement: Gave brief history of need for this teleconference meeting.

Willie Ratcliff

Alaska Minority Task Force
835 Nelchina Avenue
Anchorage, Alaska
277-3733

Position Statement: Gave his position about funds being made available to black community.

Mary Afcan

NAACP Economic Development Committee
PO Box 405
Anchorage, Alaska 99510
274-4319

Position Statement: Spoke about AHFC and AIDA lending practices.

Future Rice

small businesswoman
325 West 6th Avenue
Anchorage, Alaska
276-1793

Position Statement: Spoke of her frustration.

Dean DeCloin

no affiliation given
address not given
Anchorage, Alaska
phone not given

Position Statement: Gave his views of use of minority statistics by lending institutions.

Phillip Pleasant

no affiliation given
address not given
Anchorage, Alaska
phone not given

Position Statement: Commented on worsening situation for blacks.

Willis Kirkpatrick, Executive Director
Division of Banking & Securities
Pouch D
Juneau, Alaska 99811

no phone given

Position Statement: Outlined function of division and explained system for bringing complaints.

Samuel Banks

NAACP

1679 23rd Avenue

Fairbanks, Alaska 99701

452-5614

Position Statement: Spoke of wanting a place in the "gap".

Barry Best

no affiliation given

no address given

Fairbanks, Alaska

no phone given

Position Statement: Asked to have legislation introduced to fund study of minorities' problems in financial community.

Pete W. Aiken

small businessman

1085 Steese Highway

Fairbanks, Alaska 99701

456-7523

Position Statement: Gave specifics of problems borrowing money from Alaska State Bank.

Adelheid Herrmann

Bering Sea Fisherman's Association

no address given

Dillingham, Alaska

no phone given

Position Statement: Went over difficulties with the Fisherman's Mortgage Note program.

Phil Moreno

self

General Delivery

Sitka, Alaska 99835

747-6720

Position Statement: Spoke of difficulty of obtaining housing loans.

Bill Morran, President

Alaska Bankers Association

no address given

Ketchikan, Alaska

no phone given

Position Statement: Spoke of recognizing the potential for discrimination and federal efforts to avoid this.

Jeff Senate, Development Coordinator
 City of Saxman
 no address given
 Saxman, Alaska (through Ketchikan LTN)
 no phone given
 Position Statement: Suggestions for various programs.

Nora DeWitt, Clerk
 City of Saxman
 no address given
 Saxman, Alaska
 no phone given
 Position Statement: Spoke of housing problems.

Mathilda Kushnik
 self
 no address given
 Ketchikan, Alaska
 no phone given
 Position Statement: Commented on constitutional rights.

PREVIOUS ACTION

Not applicable.

ACTION NARRATIVE

Tape #001-002
 Recording
 Number 1238

The meeting was called to order by Chairman Martin at 1:10 p.m. The committee schedule called for the consideration of possible minority discrimination in the financial community. No bills were before the committee; the purpose of the hearing was to encourage "clearing the air" between representatives of financial institutions and minorities.

Number 1273

ED WESLEY, of NAACP in Anchorage, gave a brief history of the need for this meeting.

Number 1294

HARRY GOLDBAR, of AHFC in Anchorage, spoke about equal credit opportunity act; notification of adverse action and maintenance of records; and the federal home mortgage disclosure act. Senator Sturgulewski questioned him about the disclosure act and EEO act.

Number 1348

BULZ HOFFMAN, of AIDA in Anchorage, gave background on AIDA programs and how meetings

are noticed and held. He gave statistics on minority employment within AIDA. He gave an overview of authority and dispersal of funds. Senator Sturgulewski commended public outreach efforts of the program. Hoffman promised a breakdown of last year's loan activity would be provided to the legislature.

Number 1390

BILL MORRAN, president of the Alaska Bankers Association, Ketchikan, spoke of recognizing the potential for discrimination and federal efforts to avoid this. He outlined compliance with regulations and recourse of individuals who feel they are discriminated against.

Number 1427

WILLIS KIRKPATRICK, Executive Director of the State Division of Banking and Securities, outlined the function of his division, and explained the system for bringing complaints. He told what is looked for in joint examinations, and went over new FDIC program on discrimination. Chairman Martin asked who to contact with complaints, and Kirkpatrick gave this information, adding that complaints need to be expressed in writing.

Number 1525

ADELHEID HERMANN, representing the Bering Sea Fisherman's Association, Dillingham, went over difficulties with the Fisherman's Mortgage Note program. She noted that the cost of entry into the market is too high.

Number 1563

LOUIS OVERSTREET of the Alaska Minority Business Assistance Center in Anchorage spoke of problems minorities have getting funds. Senator Sturgulewski said she had attended an NAACP meeting wherein these problems had been discussed; she said that several agencies she had contacted had pointed out the need for specific information in order to deal with accusations of discrimination.

Number 1598

ED WESLEY, of NAACP in Anchorage, spoke again to express his concern that lending agencies don't have data to prove they are not discriminating against minorities. He felt these institutions were discriminating, de facto. He said the system doesn't work, and that the State has a poor affirmative action program. Chairman Martin asked if a

voluntary effort by the black community in listing their race on loan forms could help provide data. Wesley said the burden should not have to be put on individual citizens when legislators have been informed of the problem.

Number 1639

J.P. JONES, President, NAACP, Fairbanks, illustrated minority problems by describing difficulty in finding out from lending institutions precisely what information they needed to determine award of loans. He said the Governor had been requested to investigate whether discrimination existed, and that the Governor had found no cases of discrimination. Jones outlined recourse according to federal regulations.

Number 1665

PETE AIKENS, a Fairbanks small businessman, claimed that most state loan officers were former bank officers. He gave specifics of his problems borrowing money from Alaska State Bank, saying it took over a year for him to get a loan. Chairman Martin asked, and Aikens responded to, questions about loan procedures and complaint follow-through.

Number 1714

PHIL MORENO of Sitka said he found it hard to obtain housing loans.

Number 1743

WILLIE RATCLIFF of the Alaska Minority Business Task Force, as well as candidate for State Senate, Anchorage, felt a portion of banks' loan funds should be allocated to the black community. Chairman Martin asked the possibility of the black community drawing up a plan they feel is fair addressing legislative funds. Ratcliff said the resources were not available for such a task, and that it was not their responsibility.

Number 1823

MARY AFCAN, Economic Development Committee, NAACP, Anchorage, said that in the first month of AHFC lending, no home loans were made to blacks. She said that when AHFC found out that the bond market was concerned about bonds susceptible to attack, AHFC attitude changed, which change was communicated to the private market. AIDA is staffed by former bankers. She claimed attempts were made to take property away from blacks in order to ruin their economic

stability. Chairman Martin commented on this.

- Number 089, Tape 2 SAMUEL BANKS of NAACP in Fairbanks spoke of wanting a place in the "gap".
- Number 0165 BARRY BEST, Fairbanks, wants legislation introduced funding a study of minorities' problems in the financial community.
- Number 0179 JEFF SENATE, development coordinator for the City of Saxman, suggested a look at national participants' programs to develop citizens participations rights policy for the state. He made suggestions for community development programs, loan programs, and local housing authority.
- Number 0310 NORA DEWITT, Clerk for the City of Saxman, noted their community has a large native population. She said the area is losing a large part of their youth population due to lack of housing. She said the community is being denied funds because of a road to Ketchikan.
- Number 0358 FUTURE RICE, a small businesswoman from Anchorage, said she felt frustrated, and did not think Wesley responded to the problem, but instead addressed procedures.
- Number 0396 TOM STONER, Anchorage, outlined his grievances with AHFC.
- Number 0476 DEAN DECLOIN of Anchorage commented on agencies with the potential to provide information who don't do so. He said agencies should be required to collect and use minority information. He expressed support of lending programs.
- Number 0585 PHILLIP PLEASANT, Anchorage, commented on the worsening situation for blacks.
- Number 0610 MATHILDA KUSHNIK, Ketchikan, commented on constitutional rights.
- Number 0655 BUZZ HOFFMAN, AIDA, Anchor ge, once again outlined his agency's outreach programs.
- Number 0687 HARRY GOLDBAR, AHFC, Anchorage, spoke regarding statistics on loan applicants.
- Number 0725 There being no further testimony, and no

further items to come before the committee at this time, Chairman Martin adjourned the meeting at 3:23 p.m.

!mHLC!
January 14, 1982
1:10 p.m.

!mMP1!xRep. Martin, Chairman
!mMP2!xRep. Bylsma
!mMP2!xRep. Gardiner
!mMP2!xRep. Randolph

!mMA1!xRep. Rogers

!mCAL!
Teleconference to consider possible minority discrimination in the
financial community.

!mREG!
!mWI!xSenator Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811
465-3818

!mPS!xSat in on committee hearing.

!mWI!xWalt Furnace
Alaska Business Development Center

street address not given
Anchorage, Alaska
phone not given
!mPS!xDid not testify

!mWI!xLouis Overstreet
Minority Business Assistance Center
street address not given
Anchorage, Alaska
phone not given
!mPS!xSpoke of problems minorities have getting funds.

!mWI!xTom Stoner
self
4543 Lake Otis Pkwy., #112
Anchorage, Alaska
277-5882
!mPS!xOutlined his grievances with AHFC.

!mWI!xG.A. "Buzz" Hoffman
Alaska Industrial Development Authority
1577 C Street
Anchorage, Alaska
274-1651
!mPS!xGave background on AIDA programs and minority statistics.

!mWI!xHarry F. Goldbar
Alaska Housing Finance Corporation
235 East 8th
Anchorage, Alaska
276-5599
!mPS!xSpoke about equal credit opportunity act and record-keeping.

!mWI!xLeRoy Roth
Alaska Housing Finance Corporation
235 East 8th
Anchorage, Alaska
276-5599
!mPS!xDid not testify.

!mWI!xEd Wesley
National Association for the Advancement of Colored People (NAACP)
PO Box 405
Anchorage, Alaska 99510
274-4319 of
!mPS!xGave brief history for need for this teleconference meeting.

!mWI!xWillie Ratcliff
Alaska Minority Task Force
835 Nelchina Avenue
Anchorage, Alaska
277-3733

!mPS!xGave his position about funds being made available to black community.

!nWI!xMary Afcan
NAACP Economic Development Committee
PO Box 405
Anchorage, Alaska 99510
274-4319

!mPS!xSpoke about AHFC and AIDA lending practices.

!nWI!xWayne Williams
Alaska Industrial Development Authority
1577 C Street
Anchorage, Alaska
274-1651

!mPS!xDid not testify.

!nWI!xDon Divens
self
5710 Radcliffe Drive
Anchorage, Alaska
333-0401
!mPS!xDid not testify.

!nWI!xLarry D. Card
self

831 1/2 West 4th
Anchorage, Alaska
276-2777
!mPS!xDid not testify.

!nWI!xLinton L. Hawkins
828 East 13th Street
Anchorage, Alaska 99501
279-2251
!mPS!xDid not testify.

!nWI!xFuture Rice
small businesswoman
325 West 6th Avenue
Anchorage, Alaska
276-1793
!mPS!xSpoke of her frustration.

!nWI!xAlton Malva
self
325 West 6th Avenue
Anchorage, Alaska
276-1793
!mPS!xDid not testify.

!nWI!xDean DeClain

none given
address not given
Anchorage, Alaska
phone not given

!mPS!xGave his views of use of minority statistics by lending institutions.

!mWI!xPhillip Pleasant
none given
address not given
Anchorage, Alaska
phone not given

!mPS!xCommented on worsening situation for blacks.

!mWI!xJulie Wroe
206 N Franklin ← *affiliation*
Juneau, Alaska 99801
586-1300

!mPS!xDid not testify

!mWI!xDarral Ezee
no affiliation given
no address given
Anchorage, Alaska
no phone given

!mPS!xDid not testify.

!mWI!xF. Watson
no affiliation given
no address given
Anchorage, Alaska
no phone given

!mPS!xDid not testify

!mWI!xMurray Jones
no affiliation given
no address given
Anchorage, Alaska
no phone given

!mPS!xDid not testify.

!mWI!xDan Golden
no affiliation given
no address given
Anchorage, Alaska
no phone given

!mPS!xDid not testify.

!mWI!xJames Titus
no affiliation given
no address given
Anchorage, Alaska
no phone given

!mPS!xDid not testify.

!mWI!xFrank Austin
no affiliation given
no address given
Anchorage, Alaska
no phone given
!mPS!xDid not testify.

!mWI!xChuck Ferrell
no affiliation given
no address given
Anchorage, Alaska
no phone given
!mPS!xDid not testify.

!mWI!xKenneth Parker
no affiliation given
no address given
Anchorage, Alaska
no phone given
!mPS!xDid not testify.

!mPS!xCharles Stinson
no affiliation given

no phone given
!mWI!xJames Kirkpatrick, Executive Director
Division of Banking & Securities
Pouch D
Juneau, Alaska 99811
no phone given

!mPS!xOutlined function of division and explained system for bringing complaints.

!mWI!xTom Lunk
Division of Banking & Securities
Pouch D
Juneau, Alaska 99811
465-2521
!mPS!xDid not testify.

!mWI!xCharlene Ortiz
Senator Stimson
Pouch V
Juneau, Alaska 99811
465-3713
!mPS!xDid not testify.

Representative Gardiner
Pouch V
Juneau, Alaska 99811
465-4944
!mPS!xDid not testify.

!mWI!xCarl Nelson
House Banking Committee
Pouch V
Juneau, Alaska 99811
465-4937
!mPS!xDid not testify.

!mWI!xLee Coffman
AIDA
311 N Franklin Street
Juneau, Alaska 99801
586-1015
!mPS!xDid not testify.

Karen Perdue
Lieutenant Governor
2731 David Street
Juneau, Alaska 99801
465-3520

!mPS!xDid not testify.

!mWI!xLois Cook
Commerce & Economic Development
Pouch D
Juneau, Alaska 99811
465-2505
!mPS!xDid not testify.

!mWI!xEd Eboch
Commerce & Economic Development
Pouch D
Juneau, Alaska 99811
465-2500
!mPS!xDid not testify.

!mWI!xCarolyn Covington
Matanuska Valley Federal Credit Union
SRD Box 9340
Palmer, Alaska 99645
745-3365
!mPS!xDid not testify.

!mWI!xDona Corey
none given
SRB Box 7364

Fairbanks, Alaska 99701

745-4614

!mPS!xDid not testify.

!mWI!xLinda Foster

Valley Women's Resource Center

General Delivery

Wasilla, Alaska 99687

376-4080

!mPS!xDid not testify.

!mWI!xSamuel Banks

NAACP

1679 23rd Avenue

Fairbanks, Alaska 99701

452-5614

!mPS!xSpoke of wanting a place in the "gap".

!mWI!xCathi Carr-Lundfelt

State Human Rights Commission

no address given

Fairbanks, Alaska

no phone given

!mPS!xDid not testify.

!mWI!xBarry Best

no affiliation given

no address given

Fairbanks, Alaska

no phone given

!mPS!xAsked to have legislation introduced to fund study of minorities' problems in financial community.

!mWI!xPete W. Aiken

small businessman

1085 Steese Highway

Fairbanks, Alaska 99701

456-7523

!mPS!xGave specifics of problems borrowing money from Alaska State Bank.

!mWI!xJoe Marshall

no affiliation given

Box 2053

Fairbanks, Alaska 99707

452-6110

!mPS!xDid not testify.

!mWI!xClarence Thomas

no affiliation given

833 23rd Street

Fairbanks, Alaska 99701

452-1380

!mPS!xDid not testify.

!mWI!xAdelheid Herrmann

Bering Sea Fisherman's Association

no address given

Dillingham, Alaska

no phone given

!mPS!xWent over difficulties with the Fisherman's Mortgage Note program.

!mWI!xMargaret Curry, Manager

Alaska Federal Savings & Loan

no address given

Sitka, Alaska

no phone given

!mPS!xDid not testify.

!mWI!xPhil Morenc

self

General Delivery

Sitka, Alaska 99835

747-6720

!mPS!xSpoke of difficulty of obtaining housing loans.

!mWI!xDorcas Maupin

self

Box 161

Barrow, Alaska

no phone given

!mPS!xDid not testify.

!mWI!xDixie Figgins

self

Box 650

Barrow, Alaska

no phone given

!mPS!xDid not testify.

!mWI!xLarry McDowell

United Bank of Alaska

PO Box 884

Bethel, Alaska 99559

no phone given

!mPS!xDid not testify.

!mWI!xPaul Knight

First National Bank of Anchorage

PO Box 286

Bethel, Alaska 99559

no phone given

!mPS!xDid not testify.

!mWI!xBill Morran, President

no address given

Ketchikan, Alaska

no phone given

!mPS!xSpoke of recognizing the potential for discrimination and federal efforts to avoid this.

!mWI!xJeff Senate, Development Coordinator

City of Saxman

no address given

Saxman, Alaska (through Ketchikan LTN)

no phone given

!mPS!xSuggestions for various programs.

!mWI!xNora DeWitt, Clerk

City of Saxman

no address given

Saxman, Alaska

no phone given

!mPS!xSpoke of housing problems.

Mathilda Kushnik

self

no address given

Ketchikan, Alaska

no phone given

!mPS!xCommented on constitutional rights.

!mPA!x

Not applicable.

!mEN x

Tape #001-002

Recording

!mPARI!x

Number 1238

The meeting was called to order by Chairman Martin at 1:10 p.m. The committee schedule called for the consideration of possible minority discrimination in the financial community. No bills were before the committee; the purpose of the hearing was to encourage "clearing the air" between representatives of financial institutions and minorities.

Number 1273

ED WESLEY, of NAACP in Anchorage, gave a brief history of the need for this meeting.

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HARRY GOLDBAR, of AHFC in Anchorage, spoke about equal credit opportunity act; notification of adverse action and maintenance of records; and the federal home mortgage disclosure act. Senator Sturgulewski questioned him about the disclosure act and EEO act.

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Number 1427 WILLIS KIRKPATRICK, Executive Director of the State Division of Banking and Securities, outlined the function of his division, and explained the system for bringing complaints. He told what is looked for in joint examinations, and went over new FDIC program on discrimination. Chairman Martin asked who to contact with complaints, and Kirkpatrick gave this information, adding that complaints need to be expressed on writing.

Number 1525 ADELHEID HEIMANN, representing the Bering Sea Fisherman's Association, Dillingham, went over difficulties with the Fisherman's Mortgage Note program. She noted that the cost of entry into the market is too high.

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these problems had been discussed; she said that several agencies she had contacted had pointed out the need for specific information in order to deal with accusations of discrimination.

Number 1598 ED WESLEY, of NAACP in Anchorage, spoke again to express his concern that lending agencies don't have data to prove they are not discriminating against minorities. He felt these institutions were discriminating, !mbus!x de facto!meus!x. He said the system doesn't work, and that the State has a poor affirmative action program. Chairman Martin asked if a voluntary effort by the black community in listing their race on loan forms could help provide data. Wesley said the burden should not have to be put on individual citizens when legislators have been informed of the problem.

Number 1639 J.P. JONES, President, NAACP, Fairbanks, illustrated minority problems by describing difficulty in finding out from lending institutions precisely what information they needed to determine award of loans. He said the Governor had been requested to investigate whether discrimination existed, and that the Governor had found no cases of discrimination. Jones outlined recourse according to federal regulations.

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Number 1719
housing loans.

PHIL MORENO OF SITKA SAID HE FOUND IT HARD TO OBTAIN

Number 1743 WILLIE RATCLIFF of the Alaska Minority Business Task Force, as well as candidate for State Senate, Anchorage, felt a portion of banks' loan funds should be allocated to the black community. Chairman Martin asked the possibility of the black community drawing up a plan they feel is fair addressing legislative funds. Ratcliff said the resources were not available for such a task, and that it was not their responsibility.

Number 1823 MARY AFCAN, Economic Development Committee, NAACP, Anchorage, said that in the first month of AHFC lending, no home loans were made to blacks. She said that when AHFC found out that the bond market was concerned about bonds susceptible to attack, AHFC attitude changed, which change was communicated to the private market. AIDA is staffed by former bankers. She claimed attempts were made to take property away from blacks in order to ruin their economic stability. Chairman Martin commented on this.

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Number 0655 BUZZ HOFFMAN, AIDA, Anchorage, once again outlined his agency's outreach programs.

Number 0687 HARRY GOLDBAR, AHFC, Anchorage, spoke regarding statistics on loan applicants.

Number 0725 There being no further testimony, and no further items to come before the committee at this time, Chairman Martin adjourned the meeting at 3:23 p.m.
!mEND!x

COMMITTEE MINUTES

COMMITTEE: House Labor & Commerce

HEARING DATE: January 14, 1982

TAPE NO. 1 and 2, sides A

The meeting was called to order by Chairman Martin at 1:10 pm in the House Labor & Commerce committee room, Behrends Building, Juneau, Alaska. Committee members present in addition to the Chairman were Representatives Bylsma, Randolph, and Gardiner. Representative Rogers was absent. Committee staff in attendance were Jeff Barry, Mary Isaacs, and Joan Mathews. Also attending was Senator Arliss Sturgulewski; both she and Representative Randolph left approximately one-half hour into the teleconferenced meeting. Meeting was teleconferenced statewide.

The committee schedule called for the consideration of possible minority discrimination in the financial community. No bills were before the committee; purpose of the hearing was to encourage "clearing the air" between representatives of financial institutions and minorities.

First to testify was Ed Wesley, of NAACP in Anchorage (meter no. 1273). He gave a brief history of the need for this meeting.

Harry Goldbar of Anchorage (meter no. 1294) spoke about equal credit opportunity act; notification of adverse action (meter no. 1322) and maintenance of records; and the federal home mortgage disclosure act (meter no. 1327). Senator Sturgulewski questioned him (meter no. 1337) about the disclosure act and EEO act.

Buzz Hoffman of AIDA in Anchorage (meter no. 1348) gave background on AIDA programs and how meetings are noticed and held. He gave statistics (meter no. 1359) on minority employment within AIDA. He gave an overview (meter no. 1369) of authority and dispersal of funds. Senator Sturgulewski (meter no. 1374) commended public outreach efforts of the program. Mr. Hoffman (meter no. 1383) promised a breakdown about last year's loan activity would be provided to the legislature.

Bill Morran of Ketchikan, president of the Alaska Bankers Association (meter no. 1390) spoke of recognizing the potential for discrimination and federal efforts to avoid this. He outlined (meter no. 1405) compliance with regulations, and (meter no. 1409) recourse of individuals who feel they are discriminated against.

Willis Kirkpatrick, Executive Director of the State Division of Banking and Securities (meter no. 1427), outlined the function of his division, and explained the system for bringing complaints. He told (meter no. 1486) what is looked for in joint examinations, and went over (meter no. 1492) new FDIC program on discrimination. Chairman Martin (meter no. 1503) asked who to contact with complaints, and Kirkpatrick gave his information, adding (meter no. 1513) the complaints need to be expressed in writing.

House Labor & Commerce
Committee Minutes
Hearing of 1/14/82

Adelheid Herman of Dillingham, representing Bering Sea Fisherman's Association, (meter no. 1525) went over difficulties with the Fisherman's Mortgage Note program. She noted that the cost of entry into the market is too high.

Louis Overstreet of the Alaska Minority Business Assistance Center in Anchorage (meter no. 1563), spoke of problems minorities have getting funds. Senator Sturgulewski (meter no. 1584) said she had attended an NAACP meeting wherein these problems had been discussed; said that several agencies she had contacted had pointed out the need for specific information in order to deal with accusations of discrimination.

Ed Wesley of NAACP in Anchorage (meter no. 1598) spoke again to express his concern that lending agencies don't have data to prove they are not discriminating against minorities. He felt these institutions were discriminating, de facto. He said the system doesn't work, and that the State has a poor affirmative action program. Chairman Martin (meter no. 1621) asked if a voluntary effort by the black community in listing their race on loan forms could help provide data. Wesley (meter no. 1630) said the burden should not have to be put on individual citizens when legislators have been informed of the problem.

J.P. Jones, President of NAACP, Fairbanks (meter no. 1639), illustrated minority problems by describing difficulty in finding out from lending institutions precisely what information they needed to determine award of loans. He said the Governor had been requested to investigate whether discrimination existed, and that the Governor had found no cases of discrimination. Jones outlined recourse according to federal regulations (meter no. 1662).

Pete Aikens, a Fairbanks small businessman (meter no. 1665), claimed that most state loan officers were former bank officers. He gave specifics (meter no. 1680) of his problems borrowing money from Alaska State Bank, saying it took over a year for him to get a loan. Chairman Martin asked (meter no. 1698), and Aikens responded to (meter no. 1707), questions about loan procedures and complaint follow-through.

Phil Moreno of Sitka (meter no. 1714), said he found it hard to obtain housing loans.

Willie Radcliff of the Alaska Minority Business Task Force (meter no. 1743) as well as candidate for State Senate, Anchorage, felt a portion of banks' loan funds should be allocated to the black community. Chairman Martin (meter no. 1808) asked the possibility of the black community drawing up a plan they feel is fair addressing legislative funds. Radcliff (meter no. 1815) said the resources were not available for such a task, and that it was not their responsibility.

House Labor & Commerce
Committee Minutes
Hearing of 1/14/82

Mary Afcan of NAACP Economic Development, Anchorage (meter no. 1823), said that in the first month of AHFC lending, no home loans were made to blacks. She said that when AHFC found out that the bond market was concerned about bonds susceptible to attack, AHFC attitude changed, which change was communicated to the private market. AIDA is staffed by former bankers. She claimed (Tape 2, meter no. 056) attempts were made to take property away from blacks in order to ruin their economic stability. Chairman Martin (meter no. 083) commented on this.

Samuel Banks of NAACP in Fairbanks (meter no. 089) spoke of wanting a place in the "gap".

Barry Bess, Fairbanks (meter no. 165), wants legislation introduced funding study of minorities' problems in financial community.

Jeff Senate, development coordinator for the City of Saxman (meter no. 179), suggested look at national participants' programs to develop citizens participation rights policy for the state. He made suggestions for community development programs, loan programs, and local housing authority.

Nora DeWitt, Clerk for the City of Saxman (meter no. 310), noted their community has a large native population. She said the area is losing a large part of their youth population due to lack of housing. She said the community is being denied funds because of a road to Ketchikan.

Future Rice, a small businesswoman from Anchorage (meter no. 358), said she felt frustrated, and did not think Wesley responded to the problem, but instead addressed procedures.

Tom Stoner, Anchorage (meter no. 396), outlined his grievances with AHFC.

Dean DeClain of Anchorage (meter no. 476), commented on agencies with the potential to provide information who don't do so. He said (meter no. 524) agencies should be required to collect and use minority information. He expressed support of lending programs.

Phillip Pleasant, Anchorage (meter no. 585), commented on the worsening situation for blacks.

Mathilda Kushnik _____, Ketchikan, commented on constitutional rights (meter no. 610).

Buzz Hoffman, AIDA, Anchorage (meter no. 687), once again outlined his agency's outreach programs.

Harry Goldbar, Anchorage (meter no. 687), spoke regarding statistics on loan applicants.

House Labor & Commerce
Committee Minutes
Hearing of 1/14/82

There being no further testimony, and no further items to come before the committee at this time, Chairman Martin adjourned the meeting at 3:23 p.m.

MINUTES READ AND APPROVED:

Representative Terry Martin, Chairman

MINORITY BUSINESS ASSISTANCE CENTER

BUSINESS OFFICE:
836 E. 15th Ave., Suites 3 & 4
Anchorage, Alaska 99501
Phone: 907-274-3689/3680

MAILING ADDRESS:
P.O. Box 3315
Anchorage, Alaska 99510

January 28, 1982

Representative Terry Martin
Chairperson
Labor and Commerce Committee
Pouch V
Juneau, AK 99811

Senator Arliss Strugulewski
Chairperson
Legislative Budget and
Audit Committee
Pouch V
Juneau, AK 99811

Dear Legislators

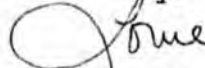
In follow up to our teleconference testimony regarding the precieved inequities in Alaska State Loan Programs and Commercial lending practices toward minorities, we have researched and will make available to our clients the "Equal Credit Opportunity" policy of several Anchorage banks.

These policies are taken directly from Federal requirements. Thus far we have not been able to ascertain the various entities levels of effort to address the perceptions that inequities exist. A part of the problem is one of communications, or the lack there of. As a legislator, you may choose to informally bring to the attention of state loan program administrators, bank officials and lending officers the need for increased sensitivity in this area.

While our primary charge is to provide technical (estimating, bidding) assistance our office is willing to provide any support they may be requested from the Alaska Business Development Center, whose primary charge is one of providing financial planning assistance in the preparation of loan request packages. Further we will continue to research the issue and advise our clients to request information on lending policies whenever they apply for loans.

We will keep you advised of further developments or responses as they come to our office. If our office may be of further assistance to you on this issue, please do not hesitate to call.

Sincerely,



E. Louis Overstreet

KTW

cc: Walt Furnace, ABDC

COMMITTEE TAPE LOG 1982

tape no. 7

committee: HOUSE LABOR & COMMERCE

date 1/14/82 to _____

bill numbers:

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other information: *Senator Arliss Sturgelewski attending first portion of meeting
TELECONFERENCE re minority discrimination in financial community
Rep. Rogers absent*

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
1/14/82	1238		START
1:10 pm	1240		Call to order by Chairman Martin
	1267 ⁷³		Ed Wesley, Anc - NAACP - background
	1294		Harry Goldbar, Anc - deferred to
	1300		
	1367		Arliss Sturgelewski - questions re acts
	1348		Buz Hoffman Wesley , Anc - AIDA
	1374		Sen Sturgelewski - commended publicity effort
	1390		Bill Moran, ^{president} AK. Bankers Institution (Ktn) - ^{regulation} compliance
	1427		Willis Kirkpatrick, Exec. Dir., ^{state} Div. of Banking & Securities - ^{function} of ^{division}
	1457- 1476		problems w/teleconf. system; Kirkpatrick ^{resumed} proceeded testimony
	1503		Ch. Martin - who shd one express complaint to?
	1505		Kirkpatrick - response
	1525		Adelheid Hermann, Dillingham - Bering Sea Fisherman's ASSOC. - re Fishermen's Mortgage Note Program
	1557-1563		dead air
	1563		Louis Overstreet - ^{AK. Minority} business Assistant Contr - ^{minority} problems
	1584		Sen. Sturgelewski - need for specifics
	1598		Ed Wesley - clarify point that discrimination exists
	1621		Ch. Martin - response & questions
	1630		Wesley - response
	1639		J. P. Jones - Fairbanks Pete A Pres. NAACP - specific probs blacks have getting loans
	1665		Pete Aikens - small businessmen - difficulties getting loans
	1698- 1707		Martin/Aikens Q & A
	1714		Phil Moreno, Sitka - housing problems
	1734		Mat-Su - no testimony

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

Date: 1/14/82

Place: L & C Committee Room

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	✓		12:57	3:23
Rep. D. Randolph	✓		1:30	2:
Rep. B. Rogers		✓		
Rep. T. Gardiner	✓		1:10	3:03
Rep. T. Martin, Chair	✓		12:50	3:23

Subject Matter: ^{minority} *discrimination in financial community*

House Bill No. _____

Senate Bill No. _____

Special Orders:

Good Morning to our Alaskans in the North
and " Afternoon " " " " South A.K.

Present at Juneau for hearing are

The purpose for ^{the} hearing is to address
the concerns expressed by minority members
of our State in access and opportunity
of participation in the economic ~~structure~~
~~of~~ structure of Alaska.

I would like to begin with Mr.
Edward Westley from Anchorage since he
and the group he represents first
brought to our attention the concerns
we are all concerned about.

After Mr. Westley speaks
I feel it best to have Goldbar &
speak Mr. Williams speaks.

AHFC
Lo Roy ?

Loans have negative impact on minority
course of past 5 yrs

Pace etc. is a voluntary input of those
seed. Home mortgage Disclosure Act.
30 day notification of action on receipt
of mortgage request if adverse.

Prepaid info

Hoffman - A.I.D.A.

must public

S.B.A.

15% black

20% Native

Fed. law prohibits asking

[Cat 22] volunteer info

Dir. Bill Moran - Ket.

problems go to - Stat

465-2521

Dir. Randolph - Feb.

quickst means to express complaints.

Wesley - discrimination by defacto.
not having information available

Mr. J. P. Jones - 30 yrs - NAACP -

1) Blacks 4% of US population,

* Mrs. Willie Patchell - 30 yrs - 10 children?

Mary African

good suggestion & possible solution.

* No conforming loans in rural areas -
Rights to own a home, business, etc.
Consumer advocate on boards of Banks.

Allocations to minority groups

challenge

Plan to meet the of -

Mary African - White person with NAACP.

AHFC no home loans to Blacks

* Statistics - public information.

AIDA - most loan officers are former
walk in another place.

* empathy for other.

House loans are easier than business loans
due to competition factor.

Ketchikan

1) over all systematic discrimination.

Sweetheart loans of S.B.A.

Willage Sacman discriminator by community

- You really cringing - so much in your concepts.
- 3) Neighborhood development programs and Corp.
 - 5) Community Stock Corp.

Nora DeWitt

Mrs. Futuro Pico - 2 days - small
ASHF comments
Admit there is a problem first?
Meeting after meeting is no good
↓ would

Tom Stoner - AHF

Secondary lenders should have ability
to get necessary information from primary
lenders to make
Banks should be required to collect
necessary information.

Ketchikan - Constitutional rights

Get his knowledge on solution
Mrs Hoffman - AFDA -
Regional Affairs - non-company
laws

Mrs. Goldbar I do log, class

* rando. project, location problem



Alaska State Legislature

House of Representatives

LABOR & COMMERCE COMMITTEE

Pouch V
State Capitol
Juneau, Alaska 99811
465-3783/3784

Official Business

Contact: Joan Mathews
Committee Secretary

January 8, 1982

FOR IMMEDIATE RELEASE

MINORITIES TO AIR FRUSTRATION WITH LOAN PROGRAMS

Concerned minorities and women who feel they are being denied access to or participation in the economic community are invited to testify before the House Labor & Commerce Committee. A statewide teleconference will be held by the Committee on Thursday, January 14, at 2 PM Juneau time. Representatives of Alaska Housing Finance Corporation (AHFC), Alaska Industrial Development Authority (AIDA), banking institutions, and several minority groups will be present to testify.

Anchorage Republican Terry Martin, state representative for House District 8 will chair the hearing. Representative Martin participated in a meeting of the National Association for the Advancement of Colored People at Anchorage in mid-December, where members expressed concerns and grievances about not having equal access to the economic community in Alaska. Representative Martin stressed, "This hearing is aimed at clearing the air between minorities and financial institutions. No legislation has been introduced at this time. I intend for the Committee to act as a sounding board for those who have grievances to express." Martin's district includes the significant minority population in the Muldoon and Mountain View areas of Anchorage.

More...

Page two

Public participation is invited by the Committee. For more information, contact Labor & Commerce Chairman Terry Martin in Juneau at 465-3784, or call your Legislative Information Office at 465-4648.

People attending in Juneau:

Harry F. Goldbar, Executive Director, AHFC

H. A. Hoffman, Exec Dir, AIDA

↳ may send Wayne Williams, Deputy of Credit

Edward Wesley, President, NAACP

~~Franklin D. Washington~~

West Corner, banking institutions lobbyist

Anc:

William Radcliffe, Coordinator, Alaska Minority Business
Task Force

X & C Committee Hearing

1/14/82 1 pm juu
11 am alaska

- ① Write PSA
 - ② Check w/ Ray re whether to do an actuality for radio stns
 - ③ release to papers, TV & radio statewide
-

- ① check w/ Sturgelewski to see if she'll attend
- ② ck LAA to see when teleconf is scheduled; make sure participation is invited statewide
- ③ request participation of all minority groups who feel they are being denied access to a participation in the economic community.

call Deborah back & tell her names of any people who'll definitely be testifying

contacted ~~Bob~~ Sen. Sturgelewski's office (Betty) who said Sen. is out of town, but put the biz on her calendar. Call back & check Mon afternoon if no word.

The borrower must not own assets exceeding two times their maximum income figure. A borrower (or any one of the borrowers) who is 65 or over must not own assets exceeding three times their maximum income figure.

Owner-occupied single family residences, condominiums, and PUD's constitute eligible property. Mobile Homes and Duplexes are not permitted.

A.) Neither the sales price nor the appraised value of the home shall exceed \$80,000.

B.) The minimum down payment requirement is 5%.

C.) The maximum loan amount is \$76,000.

The maximum term of the loan is 30 years, with a minimum term of 20 years.

.....
AHFC also offers a special rural housing program and a program for the financing of mobile homes. For further information on all AHFC programs, please contact your lender.

Participating Lenders

Alaska Bank of Commerce
Alaska Federal Savings & Loan Association
Alaska Mutual Bank
Alaska National Bank of the North
Alaska Pacific Bank
Alaska School Employees Federal Credit Union
Alaska Statebank
Alaska Teamsters Federal Credit Union
Alaska USA Federal Credit Union
AMFAC Mortgage Corporation
Arctic First Federal Savings & Loan
First Alaskan Mortgage and Escrow
First Bank
First Federal Savings & Loan
First National Bank of Anchorage
First National Bank of Fairbanks
Home Federal Savings & Loan
Lomas & Nettleton
Mt. McKinley Mutual Savings Bank
National Bank of Alaska
Peninsula Savings & Loan Association
Peoples Bank & Trust
Rainier Mortgage Company
Security National Bank
Security Pacific Mortgage
Spokane Mortgage
The EM Behrends Bank
United Bank Alaska



Alaska Housing Finance Corporation

HOME MORTGAGES

*HARRY F. GOLDBAR
EXEC. DIR.*



Information contained in this pamphlet
is subject to change — Consult your
participating lender.

235 East 8th Avenue
Anchorage, Alaska

P.O. Box 1020
Anchorage, Alaska 99510

Telephone (907) 276-5599



Considering home ownership?

Having difficulty qualifying for a mortgage?

PERHAPS AHFC CAN HELP!

Alaska Housing Finance Corporation provides residential real estate financing to all areas of Alaska by operating as a secondary mortgage market for loans originated and serviced by private lending institutions. The commitment of AHFC is to provide a stable source of funding for credit-worthy, eligible borrowers at the lowest possible cost.

AHFC Mortgage Interest Rates

AHFC's financing programs make it possible to provide mortgage interest rates at a level far below those generally available from other sources. Mortgage interest rates are based on the interest rate for AHFC bonds and other factors. Therefore, mortgage rates will change from time to time.

How To Find Out About AHFC Home Mortgages

Ask any participating lender listed in this pamphlet for information.

How To Secure An AHFC Mortgage

The lender will determine if you are eligible for home mortgage financing and if your income is sufficient to make the monthly mortgage payment. All mortgages are originated for AHFC by participating lenders; AHFC does not make direct mortgage loans.

Those loan requests that are to be insured or guaranteed by the FHA or VA require the approval of these federal agencies before submission to AHFC. The seller/servicer then submits the loan to AHFC for approval of property and credit.

Housing Eligible For Mortgage Financing

AHFC finances only permanent mortgages on new or existing homes (single family or duplex). All housing financed must be owner-occupied.

Maximum Mortgage Amounts

The maximum mortgage amount that AHFC will consider is the LESSER of the following:

- 1.) The amount listed below, or
- 2.) The amount the borrower(s) can afford, based on his/her income.

Single Family Residence (Includes Condominium or Planned Unit Development):

Conventional-Maximum loan of \$147,750 with maximum financing of 95%.

*FHA-\$101,250 *VA-\$110,000

*Down payments required for FHA or VA loans vary. Check with your lender for details.

Two Family Residence (Duplex):

Conventional-Maximum loan of \$189,000 with maximum financing of 95%

*FHA-VA down payments vary. Check with your lender for details.

Lenders are permitted to charge an "origination fee" to borrowers for program loans.

Loans To Refinance for Home Improvement

The maximum loan on a single family residence (\$147,750) or two family residence (Duplex: \$189,000) cannot exceed the amount of the existing indebtedness plus the actual cost of improvement.

A cost budget plus a descriptive narrative of improvements must be submitted to the lender for prior approval by AHFC. The proposed improvements must increase the present value by not less than 10% or \$10,000.

The maximum Loan-To-Value Ratio is 80%, with a maximum loan term of thirty years.

Criteria For Graduated Payment Mortgages (Pledged Amount Mortgages)

A "PAM" is a conventionally amortizing (level monthly payment) loan in which all or part of the purchaser's down payment funds are placed in a savings account

which is pledged to the lender as additional collateral and as a source of contributions toward the payments.

The maximum Loan-To-Value Ratio is 95%.

The "net mortgage amount" cannot at any time exceed 95% of the original value (the lesser of the purchase price or appraised value).

The total down payment of the borrower(s), including that portion placed in the pledged savings account, will be approximately 10%.

Eligible property includes single family residences, condominiums and PUD's. Duplexes are not permitted. Property must be owner-occupied.

All "PAM" loans will have private mortgage insurance if at anytime the net Loan-To-Value Ratio exceeds 80%.

Maximum Term of 30 years.

Loans With Special Assistance for Low and Moderate Income Buyers

The Home Ownership Fund subsidizes a portion of the borrower's monthly mortgage payment. This subsidy will not be paid direct, but rather through the lender.

Payments may be subsidized by the Home Ownership Fund in an amount not to exceed the lesser of:

- 1.) The payment reduction which would occur if such loan were made at a rate of 6% interest, or
- 2.) A subsidy payment that shall reduce the mortgage loan payment of principal and interest to 20% of the mortgagor's adjusted gross income.

Eligibility For Home Ownership Fund

Lower-to-moderate income borrowers are defined to be persons with gross income per family not exceeding the income limits set forth below:

Family Size	Income Limit
1	25,650
2	26,650
3	27,650
4	28,650
5	29,650
6	30,650
7	31,650
8 or more	32,650

Family for these purposes is considered to be those persons residing in a household on a year-round basis.

NAME OF PROGRAM

Alaska Housing Finance Corporation (AHFC)
Rural Housing Mortgage Purchase Program

DEPARTMENT/DIVISION RESPONSIBLE

AHFC is both an independent public corporation and an instrumentality within the Department of Revenue

STATUTE REFERENCE

Developed In 1979

PURPOSE AND/OR CONDITIONS

Increase the housing available to communities with 4,500 or fewer inhabitants located outside areas with road or rail access to Anchorage and Fairbanks.

QUALIFIED USERS

Beneficiary must live in town or village of 4,500 or fewer, without access by road or rail to Anchorage or Fairbanks; dwelling, or one unit of duplex, must be occupied by its owner; no income limit for borrowers.

LOAN TERMS

see back

LENDING MECHANISM

see back

Loan Terms

Single-family Dwelling:

MAXIMUM AMOUNT: \$147,750
DOWN PAYMENT: 5%
MAXIMUM TERM: 30 years
INTEREST: 8.75%
FEES: .5% commitment fee (refundable)

Owner-occupied Duplex:

MAXIMUM AMOUNT: \$189,000
DOWN PAYMENT: 10%
MAXIMUM TERM: 30 years
INTEREST: 8.75%
FEES: .5% commitment fee (refundable)

Lending Mechanism

Because there are few banks available in rural areas, Regional Housing Authorities have been designated to act as intermediate lenders, originating and servicing the loans. AHFC buys the mortgages from the Regional Housing Authorities, which retain a .5% servicing fee in addition to the 1% origination fee.

NAME OF PROGRAM

Alaska Housing Finance Corporation (AHFC)
Mobile Home Loan Purchase Program

DEPARTMENT/DIVISION RESPONSIBLE

AHFC is an independent public corporation and an instrumentality within the Department of Revenue

STATUTE REFERENCE

AS 18.56.090-098

PURPOSE AND/OR CONDITIONS

Provide low-cost financing for mobile homes in Alaska

QUALIFIED USERS

Eligible mobile homes may contain not less than 600 square feet of gross living area; no refinancing permitted; borrower must live in the mortgaged mobile home; no income limit for borrowers.

LOAN TERMS

MAXIMUM AMOUNT: \$72,500
DOWN PAYMENT: 5%
MAXIMUM TERM: 20 years or remaining economic life of mobile home, whichever is less
INTEREST: 10% for nonveterans; 9% for eligible veterans
FEES: .75% commitment fee (refundable)
1% servicing fee paid by AHFC

LENDING MECHANISM

secondary

NAME OF PROGRAM

Alaska Housing Finance Corporation (AHFC)
Home Ownership Assistance Program

DEPARTMENT/DIVISION RESPONSIBLE

AHFC is an Independent public corporation and an Instrumentality within
the Department of Revenue.

STATUTE REFERENCE

Funded first in 1980; began purchasing loans in Dec. 1980

PURPOSE AND/OR CONDITIONS

Provide mortgage subsidies to people of low and moderate income.

QUALIFIED USERS

Borrower must meet general eligibility requirements of AHFC Special Mortgage Loan Purchase Program (i.e., the mortgage dwelling, or one unit of a duplex, must be occupied by the borrower); must have a gross income of less than \$25,560, if single, and \$1,000 more than that for each additional family member, up to a total of seven; borrower may own assets totaling up to no more than two times his/her income limit under the program -- ceiling is raised for those over 65 to three times the income limit; mortgage must be conventional, no FHA-Insured or VA guarantee loans are permitted.

LOAN TERMS

MAXIMUM AMOUNT:	\$76,000, for \$80,000 maximum home purchase price
PAYMENTS:	25% of monthly income, or payments computed at 5% interest rate, whichever is more.
DOWN PAYMENT:	5%
MAXIMUM TERM:	30 years or remaining economic life of the property, whichever is less.
MINIMUM INTEREST:	6%

LENDING MECHANISM - Secondary. AHFC pays difference between interest rate borrowers would normally pay to AHFC under Special Mortgage Loan Purchase Program and the lower interest rate.

NAME OF PROGRAM

Alaska Housing Finance Corporation (AHFC)
Special Mortgage Loan Purchase Program

DEPARTMENT/DIVISION RESPONSIBLE

Alaska Housing Finance Corporation is both an independent public corporation and an instrumentality within the Department of Revenue

STATUTE REFERENCE

AS 18.56.010-210

PURPOSE AND/OR CONDITIONS

Assist in acquisition and development of land and in construction, rehabilitation, refinancing, management, maintenance, sale and rental of housing for people of lower and moderate income or for those in remote, underdeveloped or blighted areas. The Special Mortgage Loan Purchase Program is AHFC's principal financing program.

QUALIFIED USERS

The mortgage dwelling, or one unit of a duplex, must be occupied by the borrower. No limit on income of the borrower.

LOAN TERMS

See back.

LENDING MECHANISM

Secondary