

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 00/2

2153 FCC SB 666 (FILE 2: NOTEBOOK)

2153

1 (2) may not be made unless at least 20 percent of the princi-
2 pal amount of the loan is retained by the originator of the loan;

3 (3) shall be in the form and contain the terms and provisions
4 with respect to term of the loan, insurance, repairs, alterations,
5 payment of taxes and assessments, default reserves, delinquency charges,
6 default remedies, acceleration of maturity, secondary liens, amortiza-
7 tion schedules, and other matters the authority may prescribe; and

8 (4) shall bear interest at a rate equal to the cost of funds
9 to the authority.

10 (c) In this section

11 (1) "cost of funds" means the true interest cost expressed as
12 a rate on tax-exempt bonds of the authority plus an additional percent-
13 age as determined by the authority to represent the allocable expenses
14 of operation, costs of issuance and loan servicing; and

15 (2) "qualified multi-family housing" means residential housing
16 of five or more dwelling units that qualifies for tax-exempt bond fi-
17 nancing under the laws of the United States.

18 * Sec. 42. AS 45.88.030(a) is amended to read:

19 (a) A loan for the development of an alternative energy system or
20 for the development or implementation of a northern technology under
21 this chapter may not exceed \$30,000 [\$10,000].

22 * Sec. 43. AS 45.88.030(e) is repealed and reenacted to read:

23 (e) The rate of interest for a loan under this section, other than
24 a loan for an alternative energy system may not exceed nine and one-half
25 percent a year on the unpaid balance of the loan. The rate of interest
26 for a loan for an alternative energy system is five percent for the
27 first \$15,000 of the loan and 15 percent for the amount of the loan that
28 exceeds \$15,000.

29 * Sec. 44. AS 45.88.500 is amended by adding a new paragraph to read:

1 (3) does not include

2 (A) a wood, coal, or multi-fuel heating stove; or

3 (B) a fireplace or fireplace insert.

4 * Sec. 45. AS 45.89.030 is amended by adding a new subsection to read:

5 (j) If, in the opinion of the department, it is not necessary to
6 conduct an energy audit to determine that a loan application meets the
7 requirements of this section, the department may waive the audit require-
8 ment for the applicant.

9 * Sec. 46. AS 45.98.040(2) is amended to read:

10 (2) state participation in a loan for the restoration, im-
11 provement, rehabilitation or maintenance of any one building or struc-
12 ture qualifying under this chapter may not exceed \$250,000 [\$100,000];

13 * Sec. 47. The following laws are repealed: AS 03.10.030(b) and (J);
14 AS 16.10.320(c) and (g), 16.10.342(b), and 16.10.560 - 16.10.720.

15 * Sec. 48. AS 44.47.410 does not apply to a rural housing mortgage loan
16 made under AS 44.47.360 - 44.47.560 until January 1, 1983. Before January 1,
17 1983, the interest rate on a rural mortgage housing loan made under AS 44.-
18 47.360 - 44.47.560 is eight and three-quarters percent. After September 15,
19 1982, the Department of Community and Regional Affairs may not make a commit-
20 ment for a rural housing mortgage loan for an interest rate that is less than
21 an interest rate determined under AS 44.47.410. A loan commitment made by
22 the Department of Community and Regional Affairs after the effective date of
23 this Act and before September 16, 1982, may not exceed six months in length.

24 * Sec. 49. (a) All right, title, and interest in the assets described in
25 (b) of this section, in an amount not to exceed the unpaid principal of those
26 assets as of July 1, 1982, and all right, title, and interest in all mort-
27 gages, notes, and other instruments of security made in connection with those
28 assets, held in the general fund on July 1, 1982, are transferred to the
29 Alaska Housing Finance Corporation for the special mortgage loan purchase

1 program (AS 18.56.098).

2 (b) This section transfers the following assets of the state referred
3 to in the monthly investment reports of general and segregated state program
4 funds, treasury division, Department of Revenue that are held in the general
5 fund:

- 6 (1) State of Alaska loan program loans, other than veteran loans;
- 7 (2) bank loan incentive program loans;
- 8 (3) mortgage option program loans other than mobile home loans;
- 9 (4) obligations pledged to the Alaska Housing Finance Corporation;
- 10 (5) loans to municipalities;
- 11 (6) debt certificates;
- 12 (7) certificates of deposit.

13 * Sec. 50. All right, title, and interest in State of Alaska veterans
14 loans held in the general fund, in an amount not to exceed the unpaid princi-
15 pal of those loans as of July 1, 1982, and all right, title, and interest in
16 all mortgages, notes, and other instruments of security made in connection
17 with those loans, held in the general fund on July 1, 1982, are transferred
18 to the Alaska Industrial Development Authority for multi-family housing loans
19 (AS 44.88.153).

20 * Sec. 51. This Act takes effect immediately in accordance with AS 01.10.-
21 070(c).

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Original sponsors: Fahrenkamp, Bennett
and Parr

Offered: 4/1/82
Referred: Finance

1 IN THE SENATE

BY THE SPECIAL COMMITTEE
ON LOANS

2 HOUSE CS FOR SENATE BILL NO. 666 (Loans)

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 certain state loan programs; and
7 providing for an effective date."

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

9 * Section 1. AS 03.10.020(1) is amended to read:

10 (1) make loans to individual resident farmers, homesteaders,
11 and partnerships or corporations composed of farmers and homesteaders,
12 for clearing land for agricultural purposes, development of farms, stor-
13 age and processing of farm produce, livestock and machinery and to indi-
14 viduals, partnerships or corporations, for storage and processing plants
15 for agricultural products;

16 * Sec. 2. AS 03.10.030(a) is repealed and reenacted to re

17 (a) A farm development, chattel, or irrigation ' made under
18 this chapter

19 (1) may not exceed a term of 30 years;

20 (2) may not, when added to the outstanding balance of other
21 loans made under this chapter, exceed a total outstanding balance of
22 \$1,000,000;

23 (3) shall be secured by a real estate or chattel mortgage of
24 any priority, except that the portion of a loan that exceeds \$500,000,
25 when added to prior indebtedness that is secured by the same property,
26 must be secured by a first mortgage;

27 (4) shall bear interest at a rate that may not be less than
28 eight percent or more than the commercial rate, unless the commercial
29 rate is eight percent or less; in this paragraph "commercial rate" means

1 the prevailing rate of interest at private lending institutions in the
2 state for loans similar to those referred to in this subsection.

3 * Sec. 3. AS 03.10.030(c) is amended to read:

4 (c) A short term loan, to be amortized within one year, not to
5 exceed \$200,000 to any one borrower may be made for operating purposes,
6 except that short term loans made under this subsection for farm product
7 processing may be made for \$500,000 or less.

8 * Sec. 4. AS 03.10.030(e) is amended to read:

9 (e) An installment payment is delinquent unless it is mailed by
10 the borrower on or before the 30th [15TH] day after the date specified
11 for payment in the loan agreement or unless it is received by the depart-
12 ment on or before the 30th [15TH] day after the date specified for
13 payment in the loan agreement. If an installment payment is delinquent,
14 the director may [SHALL] assess a delinquency penalty. The delinquency
15 penalty shall be an amount equal to seven percent of the delinquent
16 payment, but the combined delinquency penalty and loan interest may not
17 exceed 15 percent.

18 * Sec. 5. AS 03.10.030 is amended by adding new subsections to read:

19 (g) A loan for clearing land may not

20 (1) exceed \$400,000;

21 (2) bear interest that exceeds eight percent; or

22 (3) have a term in excess of 30 years.

23 (h) The commissioner shall adopt regulations to establish other
24 terms for loans made under this chapter, consistent with the provisions
25 of this section, and may establish interest rates for loans under (a)(4)
26 of this section that

27 (1) encourage agricultural development;

28 (2) do not subsidize nonviable agricultural enterprises; and

29 (3) do not discriminate against existing agricultural enter-

1 prises.

2 * Sec. 6. AS 03.10.050(a) is amended to read:

3 (a) The commissioner shall administer the loan fund in conjunction
4 with the agricultural revolving loan fund board. No loan in excess of
5 \$50,000 [\$25,000] may be made by the commissioner without the approval
6 of a majority of the board.

7 * Sec. 7. AS 03.10.050 is amended by adding a new subsection to read:

8 (c) A meeting of the agricultural revolving loan fund board to act
9 on applications for loans is exempt from the public meeting requirements
10 of AS 44.62.310.

11 * Sec. 8. AS 16.10.310 is repealed and reenacted to read:

12 Sec. 16.10.310. POWERS OF THE DEPARTMENT. (a) The department may

13 (1) make loans to

14 (A) individual commercial fishermen who have been state
15 residents for a continuous period of five years immediately preced-
16 ing the date of application for a loan under AS 16.10.300 - 16.10.-
17 370 and have had a crewmember or commercial fishing license under
18 AS 16.05.480 or a permit under AS 16.43 for any one of the past
19 five years, and who actively participated in the fishery during
20 that period, for the purchase of entry permits;

21 (B) an individual who has been a state resident for a
22 continuous period of five years immediately preceding the date of
23 application for a loan under AS 16.10.300 - 16.10.370, who (i)
24 because of lack of training or lack of employment opportunities in
25 the area of residence does not have occupational opportunities
26 available other than commercial fishing; or (ii) is economically
27 dependent on commercial fishing for a livelihood and commercial
28 fishing has been a traditional way of life for him in Alaska, for
29 the repair, restoration or upgrading of existing vessels and gear,

1 for the purchase of entry permits and gear, and for the construc-
2 tion and purchase of vessels;

3 (C) corporations, partnerships, or joint ventures, 100
4 percent of which are owned by individual commercial fishermen who
5 have been state residents for a continuous period of five years
6 immediately preceding the date of application for a loan under
7 AS 16.10.300 - 16.10.370 and have had a crewmember or commercial
8 fishing license under AS 16.05.480 or a permit under AS 16.43 for
9 any one of the past five years, and who actively participated in
10 the fishery during that period, for the repair, restoration or
11 upgrading of existing vessels and gear, for the purchase of gear,
12 and for the construction and purchase of vessels;

13 (2) designate agents and delegate its powers to them as
14 necessary;

15 (3) adopt regulations necessary to carry out its functions;

16 (4) establish amortization plans for repayment of loans,
17 which may include extensions for poor fishing seasons;

18 (5) enter into agreements with private lending institutions,
19 other state agencies, or agencies of the federal government, to carry
20 out the purposes of AS 16.10.300 - 16.10.370;

21 (6) enter into agreements with other agencies or organiza-
22 tions to create an outreach program to make loans under AS 16.10.300 -
23 16.10.370 in rural areas of the state.

24 (b) The department shall consult with the Department of Fish and
25 Game on regulations and procedures established under this chapter.

26 * Sec. 9. AS 16.10.320(a) is repealed and reenacted to read:

27 (a) A loan under AS 16.10.310 - 16.10.370

28 (1) made to

29 (A) an individual described in AS 16.10.310(a)(1)(A) may

1 not exceed \$300,000;

2 (B) an individual, corporation, partnership, or joint
3 venture described in AS 16.10.310(a)(1)(B) or (C) may not exceed
4 \$100,000;

5 (2) may not exceed a term of 15 years;

6 (3) may not bear interest exceeding 10 and one-half percent;

7 (4) may be secured by a first priority lien and appropriate
8 security agreement; and

9 (5) may not exceed 75 percent of the appraised value of the
10 collateral used to secure the loan, except that a loan granted under
11 AS 16.10.333 for the purchase of an Alaska limited entry permit may not
12 exceed an amount determined in accordance with (f) or (h) of this
13 section.

14 * Sec. 10. AS 16.10.320(d) is amended to read:

15 (d) A loan may not be made to a borrower under AS 16.10.300 -
16 16.10.370 if it would result in an outstanding debt of the borrower to
17 the commercial fishing revolving loan fund in excess of \$300,000
18 [\$500,000, EXCLUDING OUTSTANDING DEBT INCURRED UNDER (c) OF THIS SECTION.
19 A BORROWER UNDER AS 16.10.300 - 16.10.370 MAY USE UP TO 49 PERCENT OF
20 THE AMOUNT BORROWED TO REFINANCE ANY OUTSTANDING LOANS OF THE BORROWER
21 REGARDLESS OF THE SOURCE OF THE LOANS, IF THE OUTSTANDING LOANS WERE
22 MADE FOR ANY OF THE PURPOSES DESCRIBED IN AS 16.10.310]. A loan to an
23 associate of the borrower is considered to be a loan to the borrower.
24 For the purposes of this section, "associate of the borrower" means

25 (1) a corporation or other organization of which the borrower
26 is an officer, director or partner, or is, directly or indirectly, the
27 beneficial owner of 10 percent or more of any class of equity securi-
28 ties;

29 (2) a person who is, directly or indirectly, the beneficial

1 owner of 10 percent or more of any class of equity securities of the
2 borrower;

3 (3) a trust or other estate in which the borrower has a
4 substantial beneficial interest or as to which the borrower serves as
5 trustee or in a similar fiduciary capacity.

6 * Sec. 11. AS 16.20.320(e) is amended to read:

7 (e) Two or more individual commercial fishermen who each satisfy
8 the requirements specified in AS 16.10.310(a)(1)(B) [AS 16.10.310(a)(1)-
9 (A)] may jointly obtain a commercial fishing loan for the construction
10 of a fishing vessel or the purchase of an existing fishing vessel.

11 Loans granted under this subsection

12 (1) may not exceed the amount specified in (a)(1) of this
13 section multiplied by the number of qualified commercial fishermen
14 applying for the loan;

15 (2) may not exceed a term of 15 years;

16 (3) shall be secured by a first priority lien and appropriate
17 security agreement;

18 (4) may not bear interest exceeding 10 [NINE] and one-half
19 percent; and

20 (5) may not exceed 75 percent of the appraised value of the
21 collateral used to secure the loan.

22 * Sec. 12. AS 16.10.320(f) is amended to read:

23 (f) Except as permitted in (h) of this section a [A] loan granted
24 under AS 16.10.333(a) for the purchase of an Alaska limited entry permit
25 may not exceed 90 percent of the appraised value of the collateral used
26 to secure the loan.

27 * Sec. 13. AS 16.10.320 is amended by adding a new subsection to read:

28 (h) A loan under AS 16.10.333(a) may be made for up to 100 percent
29 of the appraised value of the collateral used to secure the loan if the

1 borrower demonstrates that he has at least three years of experience as
2 a commercial fisherman in the fishery to which the entry permit applies;
3 as used in this paragraph, "three years of experience as a commercial
4 fisherman in the fishery" means that for an accumulated total of three
5 fishing seasons in the same fishery the person has actively participated
6 in the commercial harvest of fish under the direction of a limited entry
7 permit holder.

8 * Sec. 14. AS 16.10 is amended by adding a new section to read:

9 Sec. 16.10.325. GUARANTORS. A person may act as guarantor if the
10 borrower has insufficient collateral to secure a loan for the purposes
11 described in AS 16.10.310(a)(1)(B). The loan agreement shall specific-
12 ally describe the property of the guarantor to be used as collateral by
13 the borrower and shall be signed by the guarantor and the borrower. The
14 department shall provide the guarantor with a copy of all notices sent
15 to the borrower by the department. If the loan is for the purchase of
16 an entry permit, the guaranty by the guarantor may not constitute a
17 lien, mortgage, or encumbrance on or pledge of the entry permit.

18 * Sec. 15. AS 18.55.997 is amended to read:

19 Sec. 18.55.997. RESIDENTIAL LOANS. (a) In addition to the powers
20 authorized to a regional housing authority under AS 18.55.996, a regional
21 housing authority may, in accordance with procedures and policies adopted
22 and approved by the division of housing assistance in the Department of
23 Community and Regional Affairs [BOARD OF DIRECTORS OF THE ALASKA HOUSING
24 FINANCE CORPORATION], make loans for the purchase or development of resi-
25 dential housing in rural areas of the state. A loan shall be secured by
26 collateral in an amount acceptable to the division of housing assistance
27 in the Department of Community and Regional Affairs [BOARD OF DIRECTORS
28 OF THE ALASKA HOUSING FINANCE CORPORATION]. The rate of interest on a
29 loan authorized by this section may not exceed the interest rate on a

1 loan originated or purchased under AS 44.47.360 - 44.47.560 [AN INTEREST
2 RATE APPROVED BY THE BOARD OF DIRECTORS OF THE ALASKA HOUSING FINANCE
3 CORPORATION].

4 (b) In this section,

5 (1) "development" means the construction of a new residence
6 or the repair, remodeling, rehabilitation or expansion of an existing
7 home;

8 (2) "rural" means

9 (A) a [ANY] community in the second, third, or fourth
10 judicial district of the state with a population of 4,500 or less
11 that is not connected by road or rail to Anchorage or Fairbanks; or

12 (B) a community in the first judicial district of the
13 state with a population of 4,500 or less.

14 * Sec. 16. AS 18.56.040 is amended by adding a new subsection to read:

15 (d) Public notice of 24 hours or more shall be given before a
16 meeting of the board at which the issuance of corporation bonds is
17 authorized.

18 * Sec. 17. AS 18.56 is amended by adding a new section to read:

19 Sec. 18.56.084. INTERNATIONAL BORROWING. For the purpose of
20 obtaining access to international capital markets to borrow money for
21 the special mortgage purchase program (AS 18.56.098), in addition
22 to the powers of the corporation under AS 18.56.090, the corporation may
23 (1) establish or cause to be established, subsidiary corporation, in-
24 corporated in the state or in another state, or under the laws of a
25 foreign jurisdiction; (2) invest in corporations established under this
26 section; (3) issue bonds and borrow money for investments in corpora-
27 tions established under this section; (4) borrow from corporations
28 established under this section; (5) guarantee the obligations of corpora-
29 tions established under this section; (6) enter into agreements with

1 corporations established under this section or with other persons; or
2 (7) do anything otherwise necessary to facilitate access to international
3 capital markets. A guarantee under this section constitutes a bond of
4 the corporation as defined in AS 18.56.210(13).

5 * Sec. 18. AS 18.56.098(f)(4) is amended to read:

6 (4) "residence" means an owner-occupied, single-family resi-
7 dence, including a mobile home, or an owner-occupied duplex, triplex or
8 four-plex.

9 * Sec. 19. AS 18.56.098(g)(2) is amended to read:

10 (2) The interest rate on the first \$90,000 of a mortgage loan
11 for a single-family or duplex residence, on the first \$105,000 of a
12 mortgage loan for a triplex residence, and on the first \$140,000 of a
13 mortgage loan for a four-plex residence purchased with the proceeds of a
14 second or subsequent issue of taxable bonds of the corporation shall be
15 determined as follows:

16 (A) If the cost of funds of an issue of taxable bonds is
17 more than the cost of funds of the preceding issue of taxable
18 bonds, the interest rate shall be increased by an amount equal to
19 the difference between the cost of funds of the two bond issues.

20 (B) Except as provided in (C) and (D) of this paragraph
21 and (3) of this subsection, the interest rate may not be less than
22 10 percent and may not be reduced.

23 (C) If the difference between the cost of funds of an
24 issue of taxable bonds and the interest rate established for a
25 mortgage loan purchased with the proceeds of the previous issue
26 would be equal to or less than three percent, the interest rate on
27 mortgage loans purchased with the proceeds of that taxable bond
28 issue and subsequent taxable bond issues is three percent less than
29 the cost of funds of the taxable bond issue that is used to purchase

1 the mortgage loan.

2 (D) The interest rate on a mortgage loan purchased with
3 the proceeds of a taxable bond issue may not be less than 10 percent
4 unless the cost of funds of the taxable bond issue is less than 10
5 percent, in which case the interest on a mortgage loan purchased
6 with the proceeds of a taxable bond issue is equal to the cost of
7 funds.

8 * Sec. 20. AS 18.56.098(g)(3) is amended to read:

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

15 * Sec. 21. AS 18.56.098(g)(6) is amended to read:

16 (6) The interest rate on the first \$90,000 of a mortgage loan
17 for a single-family or duplex residence, on the first \$105,000 of a
18 mortgage loan for a triplex residence and on the first \$140,000 of a
19 mortgage loan for a four-plex residence purchased from the proceeds of
20 bonds that are exempt from taxation under the Mortgage Subsidy Bond Tax
21 Act of 1980 (26 U.S.C. 103(A)) is 10 percent or the cost of the funds,
22 whichever is less. A higher or lower interest rate shall be established
23 on the entire loan amount if required under the Mortgage Subsidy Bond
24 Tax Act.

25 * Sec. 22. AS 18.56.098 is amended by adding new subsections to read:

26 (1) The interest rate on the first \$90,000 of a mortgage loan
27 purchased from the proceeds of bonds that constitute qualified veterans'
28 mortgage bonds under the Mortgage Subsidy Bond Tax Act of 1980 (26
29 U.S.C. 103(A)) as amended, is the greater of (1) four percent less than

1 the cost of funds or (2) the rate for other loans to veterans under
2 AS 18.56.098(g)(3). A higher or lower interest rate shall be estab-
3 lished on the entire loan amount if required under the Mortgage Subsidy
4 Bond Tax Act of 1980.

5 (j) If the money used to purchase a mortgage loan made to a veteran
6 under this section comes from an issue of bonds of the corporation
7 guaranteed by the state each bond must be issued as part of an issue
8 substantially all of the proceeds of which are used to provide resi-
9 dences for veterans, or be issued in such other manner that may be
10 necessary to insure that the bond is a "qualified veteran's mortgage
11 bond" under the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103(A)),
12 as amended.

13 (k) The interest rate limitations of AS 45.45.010 do not apply to
14 loans purchased under this section or to loans that the corporation has,
15 in any manner, committed itself to purchase.

16 * Sec. 23. AS 18.56 is amended by adding a new section to read:

17 Sec. 18.56.102. COMMITMENTS FOR THE PURCHASE OF MORTGAGE LOANS.
18 The corporation shall offer commitments for the purchase of mortgage
19 loans at the interest rate prevailing for similar mortgage loans at the
20 time a commitment is made. The corporation shall charge a commitment fee
21 for an initial 90-day commitment of one-half percent of the amount of the
22 mortgage loan for which the commitment is purchased. A commitment made
23 under this section may be extended for a second 90-day period for an
24 additional fee of one-half percent of the amount of the mortgage loan
25 and, at the option of the corporation, for further periods of one month
26 for an additional fee of one-sixth percent of the amount of the mortgage
27 loan for each month the commitment is extended. A commitment made under
28 this section, including extensions, may not exceed one year.

29 * Sec. 24. AS 18.56.110(b) is amended to read:

1 (b) The principal and interest on these bonds or notes, except
2 state guaranteed bonds, is payable from corporation funds, excluding
3 funds in the housing development fund. The principal and interest on
4 state guaranteed bonds is payable from corporation funds, excluding
5 funds in the housing development fund, and in accordance with the terms
6 of the state guaranty of principal and interest. Bond anticipation
7 notes may be payable from the proceeds of the sale of bonds or from the
8 proceeds of sale of other bond anticipation notes or, in the event bond
9 or bond anticipation note proceeds are not available, such notes may be
10 paid from other funds or assets of the corporation. Bonds or notes may
11 be additionally secured by a pledge of a grant or contribution from the
12 federal government, or a corporation, association, institution or person,
13 or a pledge of money, income, or revenues of the corporation from any
14 source. Notes issued in anticipation of the sale of bonds that are to
15 be issued under this chapter and guaranteed as to principal and interest
16 by the state are guaranteed as to principal and interest by the state
17 and secured by the full faith, credit and resources of the state.

18 * Sec. 25. AS 18.56.110(d) is amended to read:

19 (d) Bonds or bond anticipation notes, except state guaranteed
20 bonds and bond anticipation notes, may be sold in the manner, on the
21 terms and at the price the corporation determines. State guaranteed
22 bonds and bond anticipation notes shall be sold at public sale by the
23 corporation in amounts and at times as may be approved by the state
24 bond committee, on terms and at the price fixed under the notice of
25 sale.

26 * Sec. 26. AS 27.09.010 is amended by adding a new subsection to read:

27 (b) The mining loan fund is a revolving fund consisting of ap-
28 propriations made to the fund by the legislature and repayments of
29 principal and interest on loans made from the fund. Money appropriated

1 to or repaid into the fund does not lapse in accordance with AS 37.25.-
2 010.

3 * Sec. 27. AS 29.48.110(a) is amended to read:

4 (a) In addition to existing municipal authority providing for the
5 preservation, protection, and maintenance of historic sites, the local
6 historical district commission established under AS 29.48.108, in con-
7 sultation with the Historic Sites Advisory Committee within the Depart-
8 ment of Natural Resources, may establish [A] historical districts
9 [DISTRICT] within the boundaries of the municipality.

10 * Sec. 28. AS 44.33.255(c) is amended to read:

11 (c) The duration for repayment of a loan may not exceed 20 [10]
12 years.

13 * Sec. 29. AS 44.47.370(3) is amended to read:

14 (3) purchase or participate in the purchase of nonconforming
15 and rural housing mortgage loans in accordance with AS 44.47.360 -
16 44.47.560;

17 * Sec. 30. AS 44.47.370(4) is amended to read:

18 (4) purchase or participate in the purchase of loans for
19 building materials for nonconforming and rural housing in accordance
20 with AS 44.47.360 - 44.47.560;

21 * Sec. 31. AS 44.47.380 is amended to read:

22 Sec. 44.47.380. [NONCONFORMING] HOUSING ASSISTANCE LOAN FUND.
23 There is created in the Department of Community and Regional Affairs the
24 [NONCONFORMING] housing assistance loan fund consisting of money appro-
25 priated to it by the legislature. The director shall administer the
26 [NONCONFORMING] housing assistance loan fund in accordance with AS 44.-
27 47.360 - 44.47.560 and shall use the money in the [NONCONFORMING] housing
28 assistance loan fund to originate, purchase, or participate in the pur-
29 chase of

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

4 (3) loans made for renovations or improvements to nonconform-
5 ing and rural housing;

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

10 * Sec. 32. AS 44.47.385(a) is amended to read:

11 (a) The director may make loans from the [NONCONFORMING] housing
12 assistance loan fund only for nonconforming and rural housing loans to
13 qualified buyers for nonconforming and rural housing.

14 * Sec. 33. AS 44.47.390 is amended to read:

15 Sec. 44.47.390. LIMITATIONS ON USE OF [NONCONFORMING] HOUSING
16 ASSISTANCE LOAN FUND. The director may not use the money in the [NON-
17 CONFORMING] housing assistance loan fund to

18 (1) originate a direct loan or purchase or participate in the
19 purchase of a nonconforming or rural housing mortgage loan that [WHICH]
20 exceeds the limitations on mortgage loans purchased by the Federal
21 National Mortgage Association as to principal amount or loan-to-value
22 ratio;

23 (2) originate a direct loan or purchase or participate in the
24 purchase of a loan made for building materials for nonconforming or rural
25 housing

26 (A) that [WHICH] exceeds \$45,000 or exceeds

27 (i) 80 percent of the appraised value of the work
28 completed on the nonconforming or rural housing for which the
29 loan is made if the nonconforming or rural housing is pledged

1 as collateral for the loan; or

2 (ii) 90 percent of the value of other property which
3 is pledged as security for the loan and which is satisfactory
4 to the director as collateral;

5 (B) unless the terms of the loan agreement require
6 inspections and certifications, as required by regulations of the
7 director, at the expense of the borrower; and

8 (C) unless the period of time allowed for repayment of
9 the loan is equal to or less than 15 years;

10 (3) originate direct loans or purchase or participate in the
11 purchase of a nonconforming or rural housing mortgage loan that [WHICH]
12 is secured by real property the marketable title to which is shown in
13 accordance with AS 44.47.420(b)(2) if the total amount of outstanding
14 nonconforming and rural housing mortgage loans held by the division
15 exceeds 10 times the amount of money in the restricted title loss reserve
16 account (AS 44.47.430).

17 * Sec. 34. AS 44.47.420(a) is amended to read:

18 (a) Before the director originates or purchases a nonconforming
19 or rural housing mortgage loan in whole or in part, the director may
20 require a borrower to show marketable title to real property offered as
21 security for the loan to be purchased.

22 * Sec. 35. AS 44.47.430(b) is amended to read:

23 (b) The director may withdraw money from the restricted title loss
24 reserve account in an amount equal to the loss to the division on a
25 nonconforming or rural housing mortgage loan originated or purchased in
26 whole or in part by the division if marketable title to the real property
27 used to secure the loan was shown in accordance with AS 44.47.420(b)(2).
28 Money withdrawn from the restricted title loss reserve account under
29 this section shall be deposited in the [NONCONFORMING] housing assistance

1 loan fund.

2 * Sec. 36. AS 44.47.440 is amended to read:

3 Sec. 44.47.440. FIRE INSURANCE. Before purchasing or participat-
4 ing in the purchase of a nonconforming or rural housing mortgage loan,
5 the director may require the borrower to agree to purchase and maintain
6 fire insurance for the real property for which the loan is made in an
7 amount not less than the outstanding principal balance of the loan.

8 * Sec. 37. AS 44.47.470 is amended to read:

9 Sec. 44.47.470. APPRAISALS. Before originating or purchasing or
10 participating in the purchase of a nonconforming or rural housing mort-
11 gage loan, the director may have or may require the borrower to have an
12 appraisal made of the fair market value of the real property, including
13 structures on the real property, for which the loan is made. In conduct-
14 ing an appraisal under this section, the appraiser shall give full value
15 to insulation and other features of construction in structures on the
16 real property which add to the energy efficiency of the structures.

17 * Sec. 38. AS 44.47.510(b) is amended to read:

18 (b) Unless otherwise required by an appropriation, the director
19 shall allocate the money in the [NONCONFORMING] housing assistance loan
20 fund among the regions established under (a) of this section for the
21 purpose of originating or purchasing each type of loan described in
22 AS 44.47.380. In making an allocation under this subsection, the direc-
23 tor shall consider the past and potential lending activity of private
24 financial institutions in the region as well as the need for loans in
25 the region. The director may reallocate the money among the regions as
26 he considers necessary.

27 * Sec. 39. AS 44.47 is amended by adding a new section to read:

28 Sec. 44.47.520. LOANS FOR NON-OWNER OCCUPIED HOUSING. (a) In
29 addition to the powers authorized by AS 44.47.370 the director may adopt

1 regulations allowing the use of money in the housing assistance loan
2 fund to make loans for the purchase or development of non-owner occupied
3 housing in rural areas of the state.

4 (b) The rate of interest on a loan authorized by this section may
5 not exceed nine and one-half percent.

6 (c) In this section

7 (1) "development" means the construction of a new residence
8 or the repair, remodeling, rehabilitation, or expansion of an existing
9 residence;

10 (2) "non-owner occupied housing" means a single-family resi-
11 dence or a multi-family residence having up to eight dwelling units,
12 that is not nonconforming housing, and is not occupied by the owner.

13 * Sec. 40. AS 44.47.560 is amended by adding new paragraphs to read:

14 (5) "rural" means

15 (A) a community in the second, third, or fourth judicial
16 district of the state with a population of 4,500 or less that is
17 not connected by road or rail to Anchorage or Fairbanks; or

18 (B) a community in the first judicial district of the
19 state with a population of 4,500 or less;

20 (6) "rural housing" means housing, other than nonconforming
21 housing, that is located in a rural area of the state.

22 * Sec. 41. AS 44.88 is amended by adding a new section to read:

23 Sec. 44.88.153. MULTI-FAMILY HOUSING LOANS. (a) The authority
24 may purchase loans made for the construction of qualified multi-family
25 housing.

26 (b) A loan for qualified multi-family housing

27 (1) may not exceed the cost of the qualified multi-family
28 housing project, or 75 percent of the appraised value of the project,
29 whichever is less;

1 (2) may not be made unless at least 20 percent of the princi-
2 pal amount of the loan is retained by the originator of the loan;

3 (3) shall be in the form and contain the terms and provisions
4 with respect to term of the loan, insurance, repairs, alterations,
5 payment of taxes and assessments, default reserves, delinquency charges,
6 default remedies, acceleration of maturity, secondary liens, amortiza-
7 tion schedules, and other matters the authority may prescribe; and

8 (4) shall bear interest at a rate equal to the cost of funds
9 to the authority.

10 (c) In this section

11 (1) "cost of funds" means the true interest cost expressed as
12 a rate on tax-exempt bonds of the authority plus an additional percent-
13 age as determined by the authority to represent the allocable expenses
14 of operation, costs of issuance and loan servicing; and

15 (2) "qualified multi-family housing" means residential housing
16 of 5 - 20 dwelling units that qualifies for tax-exempt bond financing
17 under the laws of the United States.

18 * Sec. 42. AS 45.88.030(a) is amended to read:

19 (a) A loan for the development of an alternative energy system or
20 for the development or implementation of a northern technology under
21 this chapter may not exceed \$30,000 [\$10,000].

22 * Sec. 43. AS 45.88.030(e) is repealed and reenacted to read:

23 (e) The rate of interest for a loan under this section, other than
24 a loan for an alternative energy system may not exceed nine and one-half
25 percent a year on the unpaid balance of the loan. The rate of interest
26 for a loan for an alternative energy system is five percent for the
27 first \$15,000 of the loan and 15 percent for the amount of the loan that
28 exceeds \$15,000.

29 * Sec. 44. AS 45.88.500 is amended by adding a new paragraph to read:

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(3) does not include

(A) a wood, coal, or multi-fuel heating stove; or

(B) a fireplace or fireplace insert.

* Sec. 45. AS 45.89.030 is amended by adding a new subsection to read:

(j) If, in the opinion of the department, it is not necessary to conduct an energy audit to determine that a loan application meets the requirements of this section, the department may waive the audit requirement for the applicant.

* Sec. 46. AS 45.98.040(2) is amended to read:

(2) state participation in a loan for the restoration, improvement, rehabilitation or maintenance of any one building or structure qualifying under this chapter may not exceed \$250,000 [\$100,000];

* Sec. 47. The following laws are repealed: AS 03.10.030(b) and (d); AS 16.10.320(c) and (g), 16.10.342(b), and 16.10.560 - 16.10.720.

* Sec. 48. AS 44.47.410 does not apply to a rural housing mortgage loan made under AS 44.47.360 - 44.47.560 until January 1, 1983. Before January 1, 1983, the interest rate on a rural mortgage housing loan made under AS 44.47.360 - 44.47.560 is eight and three-quarters percent. After September 15, 1982, the Department of Community and Regional Affairs may not make a commitment for a rural housing mortgage loan for an interest rate that is less than an interest rate determined under AS 44.47.410. A loan commitment made by the Department of Community and Regional Affairs after the effective date of this Act and before September 16, 1982, may not exceed six months in length.

* Sec. 49. This Act takes effect immediately in accordance with AS 01.10.070(c).

Introduced: 1/19/82
Referred: Resources and
Finance

1 IN THE SENATE

BY FAHRENKAMP, BENNETT AND PARR

2 SENATE BILL NO. 666

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 the mining loan fund (AS 27.09);
7 and providing for an effective date."

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

9 * Section 1. AS 27.09.010 is amended by adding a new subsection to read:

10 (b) The mining loan fund is a revolving fund consisting of ap-
11 propriations made to the fund by the legislature and repayments of
12 principal and interest on loans made from the fund. Money appropriated
13 to or repaid into the fund does not lapse in accordance with AS 37.25.-
14 010.

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).

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PROPOSED

AMENDMENTS

#1

Proposed amendment by Senator Rodey:

Page 2, line 19: amend to read:

(g) A loan for clearing land may not be made unless the land to be cleared is classified as Class 3 or better by the Soil Conservation Service, and may not

- (1) exceed \$250,000 [\$400,000];
- (2) bear interest that is less than [EXCEEDS] eight percent; or
- (3) have a term in excess of 20 [30] years.

Delete Section 3

Delete Section 6

2

Add to Sec. 2 of the bill:

(5) shall, if made at an initial interest rate less than the commercial rate, provide for increasing interest payment of one hundred basis points per year, beginning in the third year, up to the commercial rate of interest, and at the commercial rate thereafter.

(6) shall not, if a refinancing of a loan made under this chapter, be made at a lower percentage rate of interest than the loan being refinanced.

ARLISS

~~Agreement #~~ to Amendment #2

AMENDMENT TO AGRICULTURAL LOAN ACT

BY ROBEY AMENDMENT
to ARLISS AMEN-
dment;

AS 03.10.030(f) is amended to read:

(f) A farm product processing loan may not exceed \$250,000 [\$2,500,000]. A mortgage which secures a farm product processing loan may be of any priority if the total indebtedness on the real estate, including the secured farm product processing loan, does not exceed \$250,000 [\$2,500,000]. A farm product processing loan which, if made, would raise the existing indebtedness on the real estate securing the loan above \$250,000 [\$2,500,000], or a farm product processing loan on real estate which has a prior indebtedness of \$250,000 [\$2,500,000] or more, may be made only if all prior mortgagees agree to subordinate their mortgages to that of the state for the amount of the farm product processing loan which exceeds the \$250,000 [\$2,500,000] indebtedness limit on the real estate. A farm product processing loan may not exceed a term of 30 years or bear interest that is less than [EXCEEDING] eight percent a year and shall be secured by a real estate or chattel mortgage or both.

* Delete amendment #2

78

~~Amendment to~~ Amendment #3

by Rodey

* Delete Amendment #3 and replace with:

*Delete Section 44

* Amend Section 45 to read:

AS 45.88.500(3) does not include

- (A) a [WOOD,] coal [,] or multi-fuel heating stove; or
- (B) a fireplace [OR FIREPLACE INSERT].

Failed
5/10

* Adopt intent language to state:

"It is the intent of the conference committee on SB 666 that no more than 65 percent of the appropriation to the Alternative Technology and Energy Revolving Loan Fund be used to make loans for wood stoves."

35-07
Adopted

Introduced: 3/20/81
Referred: Community & Regional
Affairs and Finance

#4

590
01/20/81

1 IN THE SENATE

BY RODEY, FERGUSON, FISCHER,
COLLETTA, GILMAN AND RAY

2 SENATE BILL NO. 311

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to senior citizen housing and amending
7 the housing development revolving loan fund; and
8 providing for an effective date."

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

10 * Section 1. AS 18.54.010 is amended to read:

11 CHAPTER 54. SENIOR CITIZENS HOUSING DEVELOPMENT [REVOLVING LOAN] FUND.

12 Sec. 18.54.010. DECLARATION OF PURPOSE. There exists within the
13 state a serious shortage of decent, safe and sanitary residential
14 housing available at low or moderate prices or rentals to persons
15 60 years of age or older [OF LOWER AND MODERATE INCOME]. There also
16 exists in the state organizations whose purposes are to provide the
17 kinds of housing needed to alleviate this shortage. Development work
18 to provide such housing involves substantial expense which is often
19 beyond the resources of the organizations.

20 * Sec. 2. AS 18.54.070(a) is amended to read:

21 (a) There is created within the Department of Community and
22 Regional Affairs a senior citizens housing development fund. Subject
23 to direct appropriation or through proceeds of a bonding issue the
24 department shall make grants [OR LOANS] to municipalities [or to corpora-
25 tions] or to public or private nonprofit corporations designated as tax
26 exempt under sec. 501(c)(3) and 14 of the Internal Revenue Code of
27 1954 [ELIGIBLE FOR LOANS UNDER AS 18.54.050] for the purpose of develop-
28 ing senior citizen housing. A grant from the proceeds of a bond issue
29 may be made only to municipalities.

Revised Amendment #5
by Conference Committee on HCSSB 666(Fin) am H
Adopted May 10, 1982

Passed
5/10

Page 13, after line 12:

Insert a new section to read:

* Sec. ____ . AS 44.33.285 is amended to read:

Sec. 44.33.285. ACTION BY GOVERNOR. The governor may, upon recommendation of the commissioner of commerce and economic development, designate by proclamation an area as an area impacted by an economic disaster. When an area is so designated, the legislature may appropriate money for assistance grants [SHALL BE MADE BY THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT AS PROVIDED IN AS 37.11.100] and the governor may recommend in his budget submission that capital projects planned for the area be accelerated and that new projects be funded for the area. The proclamation may provide that waivers of capital projects requirements, as authorized in AS 44.33.300, become effective only to the extent set out in the proclamation.

Page 19, lines 17 - 18:

Add the following to the list of repealed laws:

AS 18.55.360; AS 27.07; AS 37.11.100; AS 44.25.030 - 44.25.038;
AS 44.33.320 - 44.33.380; AS 44.47.320 - 44.47.350

Revised Amendment [#] G
By the Conference Committee on HCSSB 666(Fin) am H
Adopted May 10, 1982

Passed

Page 15, after line 16, insert a new section to read:

* Sec. ____ AS 44.47.410 is amended to read:

Sec. 44.47.410. INTEREST ON LOANS. (a) The interest rate on a mortgage loan originated or purchased in whole or in part under AS 44.47.380 for nonconforming housing that is not rural housing is equal to the interest rate, as determined under AS 18.56.098(g)(1) - (4), on a mortgage loan purchased under AS 18.56.098(g) from the proceeds of the most recent applicable issue of taxable bonds before the origination or purchase of the mortgage loan originated or purchased under AS 44.47.380.

(b) The interest rate on a mortgage loan originated or purchased in whole or in part under AS 44.47.380 for rural housing is 10-1/2 percent.

Page 17, line 5:

Delete "nine and one-half" and insert "10-1/2"

Page 17, lines 20 - 21:

Delete all material and insert a new paragraph (6) to read:

(6) "rural housing" means housing, whether or not it is nonconforming housing, that is located in a rural area of the state.

Page 19, lines 19 - 27:

Delete Sec. 49

Am 7 A

Conference Committee on HCSSB 666 am H proposed amendment on owner-occupied triplex and four-plex housing.

Page 9, line 9 - page 10, line 7:

Delete Sec. 19.



Amend 12

Page 10, lines 15 - 24:

Delete Sec. 21.

Page 19, after line 27:

Insert a new section to read:

* Sec. 50. If a newly constructed owner-occupied triplex or four-plex is completed between the effective date of this Act and October 1, 1984, and the triplex or four-plex is eligible for financing under the provisions of the special mortgage loan purchase program of the Alaska Housing Finance Corporation (AS 18.56.098), the interest rate determined under AS 18.56.098-(g) shall apply to the first \$105,000 of a mortgage loan for a triplex and to the first \$140,000 of a mortgage loan for a four-plex. In this section "newly constructed owner-occupied triplex or four-plex" means an owner-occupied triplex or four-plex that is not occupied before the effective date of this Act and for which a mortgage loan has not been previously purchased by the Alaska Housing Finance Corporation.

Amendment #

7A

J Rodey

Amend HCS for SB 666 (Finance) am H

Page 9, lines 6 to 8, are amended:

(4) "residence" means an owner-occupied, single-family residence, including a mobile home, [or] and (i) an owner-occupied duplex, (ii) or an owner-occupied triplex or four-plex the construction of which was completed after July 1, 1982.

Divided motion:

- A. Subsidy to \$90,000 on 3 & 4 plexes;
- B. NEW construction, owner occupied, subsidized at \$105,000 for 3 plex & \$140,000 for 4 plex; to SUNSET Oct. 1st, 1984.

Amendment # Agenda # 7 15

Section 21: Delete Section 21

Section 19: Delete Section 19

Add a new Section to read:

AS 18.56.098(g) is amended to read:

(g) The corporation shall establish the interest rate on a first mortgage loan for a single family or duplex residence purchased

Add a new Section to read

AS 18.56.098 is amended by adding a new subsection to read:

(1) The corporation shall establish the interest rate on a mortgage loan purchased under (a) of this section for a triplex or fourplex residence in the same manner established for computing the interest rate on a first mortgage loan under (g) of this section except that the amount of loan bearing the interest rate determined in accordance with subsection (2) of this section shall be \$ 105,000 for a triplex residence and \$ 140,000 for a fourplex residence.

7(c)

Conference Committee on HCSSB 666 am H proposed amendment on owner-occupied triplex and four-plex housing.

Page 9, line 9 - page 10, line 7:

Delete Sec. 19.

Page 10, lines 15 - 24:

Delete Sec. 21.

Page 19, after line 27:

Insert a new section to read:

* Sec. 50. If a newly constructed owner-occupied triplex or four-plex is completed between the effective date of this Act and October 1, 1984, and the triplex or four-plex is eligible for financing under the provisions of the special mortgage loan purchase program of the Alaska Housing Finance Corporation (AS 18.56.098), the interest rate determined under AS 18.56.098-
→ (g) shall apply to the first \$105,000 of a mortgage loan for a triplex and to the first \$140,000 of a mortgage loan for a four-plex. In this section "newly constructed owner-occupied triplex or four-plex" means an owner-occupied triplex or four-plex that is not occupied before the effective date of this Act and for which a mortgage loan has not been previously purchased by the Alaska Housing Finance Corporation.

Passes
5

definition of residence - 3/4

Proposed Amendment to HCSSB 666(Fin) am H

Page 10, after line 7:

Insert a new section to read:

* Sec. ____ AS 18.56.098(g)(2) is amended by adding a new subparagraph to read:

(E) If the proceeds of a taxable bond issue are to be used only for the purchase of mortgage loans for triplex and four-plex residences, the cost of funds of that bond issue is not considered in determining interest rates. The interest rate on the first \$90,000 of a mortgage loan that is purchased with the proceeds from a taxable bond issue used solely for the purchase of mortgage loans for triplex and four-plex residences is equal to the interest rate, as determined under this paragraph, on a mortgage loan purchased with the proceeds of the preceding issue of taxable bonds.

VIII OPTIONS

1) NOTHING

~~2)~~ ^{New} 140,000 Subsidy new construction only / started Oct '84

3) ^{New} 140,000 Subsidy construction after July 1, 1982 only

4) 140,000 Subsidy new construction & existing

5) 140,000 Subsidy new construction &
 90,000 " existing "

6) 90,000 Subsidy new construction &
 90,000 " existing "

Mulcahy

Item No. 10

PASSED

11, after line 15 insert new bill sections:

Sec. . AS 18.56.100(a) is amended to read:

(a) There is created a housing development fund [SPECIAL REVOLVING LOAN FUND TO BE KNOWN AS THE "HOUSING DEVELOPMENT FUND"] to be administered by the corporation as a trust fund separate and distinct from any other money or funds administered by the corporation.

Sec. . AS 18.56.100(b) is amended to read:

(b) Consistent with AS 18.56.090, the corporation may make temporary and permanent loans from the housing development fund, at such interest rate or rates as determined by the corporation, and with such security for repayment as is necessary and practicable, to

[(1) DEFRAID DEVELOPMENT COSTS OF SPONSORS, BUILDERS, AND DEVELOPERS OF RESIDENTIAL HOUSING;

(2) PROVIDE TO PERSONS OF LOWER AND MODERATE INCOME WHO ARE APPLYING FOR MORTGAGES, THE AMOUNTS REQUIRED TO MAKE DOWN PAYMENTS AND PAY CLOSING COSTS AND TO HOUSING OWNERS THE AMOUNTS APPLIED FOR PARTIAL RENTAL PAYMENTS AND MORTGAGE INTEREST PAYMENTS UNDER AS 18.56.090(4); OR

(3)] purchase, make, or participate in the making of mortgage [AND CONSTRUCTION] loans which are not federally insured or guaranteed for [TO SPONSORS, BUILDERS, PURCHASERS AND DEVELOPERS OF LAND DEVELOPMENT OR] residential housing, if the corporation determines that such loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions.

* Sec. . AS 18.56.100(c) is amended to read:

(c) To the credit of the housing development fund shall be deposited

(1) grants and contributions to the fund [AND THE PROCEEDS OF SALE OF FUND NOTES]; and

(2) all receipts of the corporation on account of repayment of or sale or other disposition of the security for any loans made under (b) of this section.

ge 19, line 18, after "16.10.342(b)":

Delete "and"

ge 19, line 18, after "16.10.560 - 16.10.720":

Insert ", 18.55.360, and 18.56.100(e) - (k)"

ge 19, after line 18:

Insert a new bill section to read:

* Sec. . The repeal of AS 18.56.100(e) - (k) in sec. of this Act does not invalidate housing development fund notes issued under AS 18.56.- 00(e) - (k) before the effective date of this Act.

PASSED

AS 18.56.100(b) is amended to read:

(b) Consistent with AS 18.56.090, the corporation may make temporary and permanent loans from the housing development fund, at such interest rate or rates as determined by the corporation, and with such security for repayment as is necessary and practicable, to

(1) DEFRAY DEVELOPMENT COSTS OF SPONSORS BUILDERS, AND DEVELOPERS OF RESIDENTIAL HOUSING;

(2) PROVIDE TO PERSONS OF LOWER AND MODERATE INCOME WHO ARE APPLYING FOR MORTGAGES, THE AMOUNTS REQUIRED TO MAKE DOWN PAYMENTS AND PAY CLOSING COSTS AND TO HOUSING OWNERS THE AMOUNTS APPLIED FOR PARTIAL RENTAL PAYMENTS AND MORTGAGE INTEREST PAYMENTS UNDER AS 18.56.090(4); OR

(3) purchase, make, or participate in the making of mortgage [AND CONSTRUCTION] loans which are not federally insured or guaranteed to ~~sponsors, builders, purchasers and developers of land development~~ for residential housing, if the corporation determines that such loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions.

AS 18.56.100(c) is amended to read:

(c) To the credit of the housing development fund shall be deposited

(1) grants and contributions to the fund [AND THE PROCEEDS OF SALE OF FUND NOTES]; and

(2) all receipts of the corporation on account of repayment of or sale or other disposition of the security for any loans made under (b) of this section.

AS 18.56.100(e), (f), (g), (h), (i) and (j) ^{and (k)} are repealed provided that fund notes heretofore issued in accordance with these paragraphs are confirmed in all respects.

§ 18.56.100(c) is amended to read:

(a) There is created a [SPECIAL REVOLVING LOAN FUND TO BE KNOWN AS THE "] housing development fund ["] to be administered as a trust fund separate and distinct from any other money or funds administered by the corporation.

AS 18.56.100(b) is amended to read:

(b) Consistent with AS 18.56.090, the corporation may make temporary and permanent loans from the housing development fund, at such interest rate or rates as determined by the corporation, and with such security for repayment as is necessary and practicable, to

[1] DEFRAID DEVELOPMENT COSTS OF SPONSORS, BUILDERS, AND DEVELOPERS OF RESIDENTIAL HOUSING;

(2) PROVIDE TO PERSONS OF LOWER AND MODERATE INCOME WHO ARE APPLYING FOR MORTGAGES, THE AMOUNTS REQUIRED TO MAKE DOWN PAYMENTS AND PAY CLOSING COSTS AND TO HOUSING OWNERS THE AMOUNTS APPLIED FOR PARTIAL RENTAL PAYMENTS AND MORTGAGE INTEREST PAYMENTS UNDER AS 18.56.090(4); OR

(3) purchase, make, or participate ^{for residential housing} in the making of mortgage [AND CONSTRUCTION] loans which are not federally insured or guaranteed to sponsors, builders, purchasers and developers of land development or residential housing, if the corporation determines that such loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions.

AS 18.56.100(c) is amended to read:

(c) To the credit of the housing development fund shall be deposited

(1) grants and contributions to the fund [AND THE PROCEEDS OF SALE OF FUND NOTES]; and

(2) all receipts of the corporation on account of repayment of or sale or other disposition of the security for any loans made under (b) of this section.

AS 18.56.100(e), (f), (g), (h), (i) and (j) are repealed provided that fund notes heretofore issued in accordance with these paragraphs are confirmed in all respects.

AHFC

AGENDA ITEM NO. 11

PASSED 4/21

HCSSB 666(Fin) am H

A. Page 10, line 21:

After "(26 U.S.C. 103(A))" insert ", as amended, other than bonds that constitute qualified veterans' mortgage bonds under (i) of this section,"

B. Page 11, lines 5 - 12:

Delete all material and insert the following:

(j) If the money used to purchase a mortgage loan made to a veteran under this section comes from an issue of bonds of the corporation guaranteed by the state, each bond must be issued as part of an issue substantially all of the proceeds of which are used to provide residences for qualifying veterans. In this subsection a qualifying veteran is a person who is a "qualified veteran" as the term is defined or may subsequently be defined under the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103(A)), as amended.

Amend subparagraph (j), lines 5 to 12, page 11, HCEEE 666(Fin) am
" as follows:

(j) If the money used to purchase a mortgage loan made to a veteran under this section comes from an issue of bonds of the corporation guaranteed by the state each bond must be issued as part of an issue substantially all of the proceeds of which are used to provide residences for veterans. As used in this subsection a qualifying veteran is a person who served on active duty in the United States military service, and who was discharged or released under conditions other than dishonorable or a person who is a qualified veteran as the term may be otherwise defined under the Mortgage Subsidy Bond Tax Act of 1980. [OR BE ISSUED IN SUCH OTHER MANNER THAT MAY BE NECESSARY TO INSURE THAT THE BOND IS A "QUALIFIED VETERAN'S MORTGAGE BOND" UNDER THE MORTGAGE SUBSIDY BOND TAX ACT OF 1980 (26 U.S.C. 103(A)), AS AMENDED.]

AHFC

Delete lines 13-15 page 11

Rodey

Item 11

Amendment # _____

did NOT
PASS;

Sec. 22: (a) The interest rate on a mortgage loan purchased from the proceeds of bonds that are exempt from taxation is equal to the rate for loans to other borrowers under the appropriate provisions of AS 18.56.098(g). A higher or lower interest rate shall be established on the entire loan amount if required under the Mortgage Subsidy Bond Tax Act of 1980.

(6) Delete 18.56.098(g)(6).

AGENDA ITEM NO. 12

PASSED
4/21

HCSSB 666(Fin) am H

Page 12, lines 14 - 17:

Delete underlined material and insert the following:

"The corporation may issue state guaranteed bond notes in anticipation of the sale of state guaranteed bonds to be issued under this chapter. State guaranteed bond anticipation notes are guaranteed as to principal and interest by the state and secured by the full faith, credit and resources of the state."

Item 12

Amendment # _____

Section 24. Delete last sentence. (page 12, begins on line 14, ends line 17)

SAME AS
PRECEDING

AGENDA ITEM NO. 13

PASSED

HCSSB 666(Fin) am H

Page 12, line 21:

Delete "and at the price" and insert: "[AND AT THE PRICE]"

Page 12, line 24:

Delete "and at the price"

item 14

did not
PASS;

Amendment # _____

Add new section to read:

AS 18.56.098 is amended by adding a new subsection to read:

(a) In this section and in AS 18.56.099, an individual who owns and occupies more than one residence shall declare which residence is the individual's principal residence for meeting the owner-occupied requirement of the special loan purchase program.

Amendment 15
by the Conference Committee on MCSSB 666(Fin) am H
Adopted May 10, 1982

PASSED
5/11

Page 9, after line 4:

Insert a new section to read:

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

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

(A) is totally or substantially performed by the borrower;

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

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

item 15

Amendment # _____

18.56.088(c)(3) is modified to read as follows:

"(3) characteristics of housing eligible for loans or purchase of loans,
including compliance with building codes or similar construction
standards; and

Amendment # _____

Sec. 17 of the bill, modify to read as follows:

page 9, line 3. After the word "markets," delete the period and add

"; provided that, however, the corporation may not (1) subject its
(1) ← general assets to the laws of any foreign government,

(2) make any investments or incur any liabilities in a currency
other than United States currency,

(3) conduct any meetings of the corporation outside of the state of
Alaska without written authorization of the governor, ^{or} and

(4) conduct any official business other than by electronic media
outside of the United States without written authorization of the
governor."

AGENDA ITEM NO. 16

HCSSB 666(Fin) am H

Page 8, line 29:

After "section;" insert "or"

Page 9, lines 1 - 3:

Delete "; or (7) do anything otherwise necessary to facilitate access to international capital markets"

Insert "In exercising a power under this section, the corporation may not subject its assets to risk of loss through foreign currency exchange."

Amend HCS for SB No. 666 (Finance) am H

Page 9, lines 2 and 3

Delete clause number (7)

Add a new sentence

In exercising a power under this section, the corporation may not subject its assets to foreign currency exchange risks.

18

Add to AS 18.56.09B:

The Corporation shall adopt regulations under AS 18.56.088 to establish a commitment procedure for the purchase of mortgage loans.

U
Passed

AHFC

* Sec. AA. AS 44.88 is amended by adding a new section to read:

Sec. 44.88.151. ADMINISTRATIVE PROCEDURE. Except for AS 44.-62.310 and 44.62.312, regarding public meetings, and except for AS 44.62.320(a), regarding legislative review of regulations, the provisions of the Administrative Procedure Act regarding the adoption of regulations (AS 44.62.040 - 44.62.320) do not apply to the authority. The authority shall make available to members of the public copies of the regulations adopted under AS 44.88.151(b) - (e).

Within 45 days after adoption of a regulation under AS 44.88.151-(b) - (e), the chairman of the authority shall submit the regulation adopted to the chairman of the Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460.

(b) The authority may adopt regulations under this section by motion or by resolution or in any other manner permitted by its by-laws.

(c) The authority may adopt regulations to carry out the purposes of this chapter, and shall adopt regulations necessary for the following purposes:

(1) determination of borrower eligibility;

(2) loan guidelines and terms including, but not limited to, maximum loan amounts and required loan-to-value ratios, but excluding loan interest rates;

(3) characteristics of projects eligible for loans or purchase of loans; and

(4) the qualifications of loan originators and servicers and the method of allocating amounts available for the purchase of loans.

(d) Except as provided in AS 44.88.151(e), at least 15 days before the adoption, amendment or repeal of a regulation on a subject specified in AS 44.88.151(c), the authority shall give public notice of the proposed action by publishing the notice in at least three newspapers of general circulation in the state and by mailing a copy of the notice to every person who has filed with the authority a request for notice of proposed regulations. The public notice must include a statement of the time, place and nature of the proceedings for the adoption, amendment or repeal of the regulation and must include an informative summary of the subject of the proposed action. On the date and at the time and place designated in the notice, the authority shall give each interested person or his authorized representative, or both, the opportunity to present statements, arguments or contentions orally or in writing and shall give members of the public an opportunity to present oral statements, arguments or contentions for a total period of at least one hour. The authority shall consider all relevant matter presented to it before taking the proposed action on the regulation. At a hearing under this subsection, the authority may continue or postpone the hearing to a time and place determined by the authority and announced at the hearing before taking the action to continue or postpone the hearing. A regulation adopted, amended or repealed by the authority may vary from the informative summary specified in this subsection if the subject matter of the action taken on the regulation remains the same and if the original notice of the proposed action was written so as to assure that members of the public are reasonably notified of the subject matter of the proposed action in order for them to determine whether their interests could be affect-

ed by the authority's proposed action on that subject.

(e) The adoption, amendment or repeal of a regulation on a subject specified in AS 44.88.151(c) may be made as an emergency regulation if, in its order of adoption, the authority states the facts constituting the emergency and makes a finding that the adoption of the regulation is necessary for the immediate preservation of the orderly operation of the authority's loan and bonding programs. The requirements of AS 44.88.151(d) do not apply to the initial adoption of an emergency regulation covering a subject specified in AS 44.88.151(c); however, upon adoption of an emergency regulation under this subsection, the authority shall, within 10 days after that adoption, publish notice of the adoption in accordance with the notice procedures specified in AS 44.88.151(d). No emergency regulation adopted under this subsection shall remain in effect for more than 120 days unless, prior to the expiration of that period, the authority adopts that regulation a permanent regulation in accordance with the procedures specified in AS 44.88.151(d).

(f) A regulation adopted under AS 44.88.151(b) - (e) becomes effective immediately upon its adoption by the authority or at such other time as specified by the authority in its order of adoption.

* Sec. BB. AS 44.88.159(a) is amended to read:

(a) The interest rate on a loan financed from the proceeds of tax-exempt bonds or expected [EXCEPTED] by the authority to be financed from the proceeds of tax-exempt bonds is equal to the cost of funds to the authority. In this subsection "cost of funds" means the true interest cost expressed as a rate on tax-exempt bonds of the authority plus an additional percentage as determined by the

authority to represent the allocable expenses of operation, costs of issuance, and loan servicing.

* Sec. CC. AS 44.88.165 is amended to read:

Sec. 44.88.165. DELINQUENT LOANS. If more than two percent of the total outstanding balance of loans purchased from a financial institution under this chapter becomes delinquent for 90 days or more, the authority shall discontinue purchasing loans for which it has not already made a purchase commitment from that financial institution until the delinquency is reduced to less than two percent.

* Sec. DD. (a) In addition to the findings and declarations in AS 44.88.010, the legislature finds, determines and declares

(1) that there exists in the state a serious shortage of decent, safe and sanitary multifamily housing units, and that this shortage is inimical to the safety, health, welfare and prosperity of the residents of the state and to the sound growth of communities in the state; and

(2) that it is necessary to give the authority the power to provide a means for financing additional multifamily housing projects in the state.

(b) In addition to the purposes specified in AS 44.88.070, the purpose of the Authority is also to promote, develop and maintain an adequate supply of decent, safe and sanitary multifamily housing projects during times of shortage of such projects in the state, by providing various means of financing and facilitating the financing of multifamily housing projects in the state.

(c) In addition to the powers conferred on the Authority under AS 44.88.080 and its other powers, the Authority has the following powers:

(1) to make loans and to participate in the making of loans, in conjunction with other lenders, the Alaska State Housing Authority or an Alaskan municipality, to assist in the financing of multifamily housing projects;

(2) to own a multifamily housing project with sponsors, developers, builders or other persons or to own a multifamily housing project alone, for the purpose of maintaining a security interest in that multifamily housing project;

(3) to borrow money, to issue its bonds and to provide security for bonds it issues in connection with the financing of multifamily housing projects, except that the Authority shall not issue bonds for the construction financing for a multifamily housing project unless the bonds are, in its opinion, adequately secured by a letter of credit or equivalent security;

(4) to make loans and to participate in the making of loans from the proceeds of tax-exempt bonds for a multifamily housing project at any interest rate determined or agreed to by the authority;

(5) to acquire, sell or otherwise dispose of an interest in a multifamily housing project as necessary or appropriate to provide financing for the housing project;

(6) to enter into agreements with respect to a multifamily housing project on terms and conditions that the Authority considers advisable;

(7) to assist private lenders, the Alaska State Housing Authority and Alaskan municipalities to make loans to finance the costs of multifamily housing projects;

(8) to use the multifamily housing loans security fund to provide a loan loss reserve for loans purchased by the multifamily

housing loan account of the enterprise development fund.

(d) With respect to the issuance of bonds to finance one or more multifamily housing projects, the Authority may waive or modify, as it considers appropriate, the requirements of AS 44.88.090(e), ^{and pursuant} and 44.88.160 in order to facilitate the financing of that multifamily housing.

(e) The provisions of AS 44.88.105(f) do not apply to capital reserve funds established to secure bonds issued to finance one or more multifamily housing projects.

(f) There is established in the enterprise development fund a multifamily housing loan account, consisting of money and other assets of the enterprise development fund which the Authority deposits into it; however, the Authority shall not deposit into the multifamily housing loan account any proceeds from the sale of bonds of the Authority. The multifamily housing loan account shall be used only to purchase loans for multifamily housing projects. Notwithstanding the provisions of AS 44.88.155(d), a loan purchased by the Authority for the multifamily housing loan account

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

(2) shall be secured as to repayment by a mortgage or other security instrument in the manner the Authority determines is feasible to assure timely repayment under a loan agreement entered into with the borrower; and such a mortgage or other security instrument shall constitute a first lien against the multifamily housing project, except that it may be subordinated by the Authority to a loan made directly or indirectly with the proceeds of a sale of bonds by the Authority, by the Alaska State Housing Authority or by an Alaskan municipality during the time when the loan from such proceeds is outstanding, and may be subordinated

to a loan to refinance such a loan, as the Authority considers appropriate;

(3) shall provide for a schedule of payments of principal and interest satisfactory to the Authority, which may include (without limitation) deferrals or reductions of payments, variable payments, balloon payments, sharing in equity appreciation and other arrangements;

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

(g) The interest rate on a loan for one or more multifamily housing projects financed from the proceeds of tax-exempt bonds or expected by the Authority to be financed from the proceeds of tax-exempt bonds may be at a higher or lower rate, as the Authority considers appropriate, than the cost of funds as defined in AS 44.88.159(a) with respect to that loan.

(h) The multifamily housing loans security fund is established in the Authority.

(1) The multifamily housing loans security fund consists of money and assets appropriated or transferred to it, the income produced from its investments and holdings, and such deposits as the Authority may make from repayments of multifamily housing loans purchased by the multifamily housing loan account of the enterprise development fund. The purpose of the multifamily housing loans security fund is to provide a loan loss reserve for the enterprise development fund for multifamily housing loans made by the Authority from the multifamily housing loan account of the enterprise development fund.

(2) The Authority may establish in the multifamily housing loans security fund separate accounts for one or more multifamily housing loans, as it finds appropriate, and may establish other accounts as it considers appropriate.

(3) Money and other assets of the multifamily housing loans security fund shall be held and invested by the Authority at competitive national market rates in the types of investments described in AS 37.10.-070(a).

(4) The multifamily housing loans security fund is not a general asset of the Authority and shall not be pledged or committed in any way except to provide a loan loss reserve for the enterprise development fund for multifamily housing loans made by the Authority from the multifamily housing loan account of the enterprise development fund.

(5) If a multifamily housing loan from the multifamily housing loan account of the enterprise development fund of the Authority is not fully repaid, including accrued interest, and is not fully satisfied after the exercise of such security as the Authority may have required under (f)(2) of this section, the executive director of the Authority shall certify in writing as to those facts. Upon such certification, an amount equal to the unpaid balance, accrued interest and costs attributable to that loan shall be paid over from the multifamily housing loans security fund to the enterprise development fund of the Authority, or if the balance in the multifamily housing loans security fund is less than the amount of the unpaid balance, accrued interest and costs attributable to that loan, the remaining balance of the multifamily housing loans security fund shall be paid over to the enterprise development fund of the Authority. The Authority shall, for purposes of (6) of this subsection, consider such a loan fully discharged upon payment from the

multifamily housing loans security fund to the enterprise development fund under this subsection.

(6) No later than 60 days after all multifamily housing loans have been discharged (or are considered discharged under (5) of this subsection) which are made from the multifamily housing loan account of the enterprise development fund of the Authority, the balance, if any, remaining in the multifamily housing loans security fund shall be transferred by the Authority to the General Fund of the State.

(i) In this section,

(1) "Authority" means the Alaska Industrial Development Authority:

(2) "multifamily housing project" means a specific building, structure, work or improvement of five or more dwelling units, or a group of such buildings, structures, works or improvements, the purpose of which is primarily to provide rental dwelling accommodations and which qualifies for tax-exempt financing under sec. 103 of the Internal Revenue Code of 1954, as amended (26 U.S.C. §103), or sec. 11(b) of the National Housing Act of 1937, as amended, and which is originally financed before January 1, 1984; "multifamily housing project" includes the acquisition, construction or rehabilitation of land, buildings and improvements for rental dwellings, accommodations and other facilities that may be incidental or appurtenant to rental dwelling accommodations.

* Sec. XX. Section DD of this Act is repealed.

* Sec. YY. Section XX of this Act takes effect on the day after the transfer of funds by the Alaska Industrial Development Authority to the General Fund of the State is made pursuant to sec. DD(h)(6) of this Act, or if there are no funds available for such transfer, the sixty-first day

* Sec. . AS 44.88.180(a) is amended to read:

(a) No member of the authority may vote on a resolution of the authority relating to a lease or contract to be entered into by the authority under this chapter if he is a party to the lease or contract or has a direct ownership interest or equity interest in a firm, partnership, corporation or association which may be a party to the contract or lease. [IF A PERSON MAY NOT VOTE BECUASE OF THIS PROHIBITION, FOR ALL PURPOSES REGARDING ACTION OF THE AUTHORITY RELATING TO ADOPTION OF THE RESOLUTION, THE POSITION OF THE PERSONS AS A MEMBER SHALL BE TRANSFERRED TO THE FIRST ONE OF THE FOLLOWING STATE OFFICERS WHO IS NOT THEN ACTING AS A MEMBER AND WOULD NOT BE PROHIBITED FROM VOTING ON THE RESOLUTION BECAUSE OF THE SAME PROHIBITION: COMMISSIONER OF ADMINISTRATION, ATTORNEY GENERAL, COMMISSIONER OF REVENUE, COMMISSIONER OF HEALTH AND WELFARE, COMMISSIONER OF LABOR, COMMISSIONER OF PUBLIC WORKS, COMMISSIONER OF PUBLIC SAFETY.]

after all multifamily housing loans have been discharged (or are considered discharged under sec. DD(h)(5) of this Act) which are made from the multifamily housing loan account of the enterprise development fund of the Alaska Industrial Development Authority.

It is the intent of the legislature that AIDA not make a loan or participate in the making of a loan to assist in the financing of a multifamily housing project if that project would compete with projects financed under a program sponsored by an Alaskan municipality, unless it is with the consent of that Alaskan municipality.

** delete section 41*

Item #47

Failed

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An amendment to modify the structure of the AHFC Board of Directors.

* Section 1. AS 18.56.030(a) is amended to read:

(a) The corporation shall be governed by a board of directors consisting of

(1) the commissioner of revenue [and the commissioner of commerce and economic development];

(2) one other member who is the head of the principal department of the executive branch of state government appointed by the governor;

(3) three [TWO] public members appointed by the governor;

MEEKINS

item 48 A

Proposed amendment to Section 19 of SB 666 regarding the ratchet

Sec. 19. AS 18.56.098(g)(2) is amended to read:

(2) The interest rate on the first \$90,000 of a mortgage loan for a single-family or duplex residence, on the first \$105,000 of a mortgage loan for a triplex residence, and on the first \$140,000 of a mortgage loan for a four-plex residence purchased with the proceeds of a second or subsequent issue of taxable bonds of the corporation shall be determined as follows:

(A) If the cost of funds of an issue of taxable bonds is more than the cost of funds of the preceding issue of taxable bonds, the interest rate shall be increased by an amount equal to the difference between the costs of funds of the two bond issues.

The proposed amendment would insert the following language after "issues":

provided, however, that when the cost of funds is equal to or less than the highest cost of funds of an issue of taxable bonds sold during the prior fiscal year the interest rate shall not be increased.

MEEKINS

B

Proposed amendment to Sec. 19 as written in House CS for Senate Bill No. 666 (Finance) amE

(The proposed amendment is underlined with a continuous line; the dashed underlining is the amendment presently proposed by HCS SB 666.)

*Sec. 19. A.S. 18.56.098(g)(2) is amended to read:

(2) The interest rate on the first \$90,000.00 of a mortgage loan for a single-family or duplex residence, on the first \$105,000.00 of a mortgage loan for a triplex residence, and on the first \$140,000.00 of a mortgage loan for a four-plex residence purchased with the proceeds of a second or subsequent issue of taxable bonds of the corporation shall be determined as follows:

(A) If the cost of funds of an issue of taxable bonds is more than the cost of funds of the preceding issue of taxable bonds, the interest rate shall be increased by an amount equal to the difference between the cost of funds of the two bond issues[.] provided, however, that when the cost of funds is greater than 1/4 of one percent above the previous cost of funds of an issue of taxable bonds, the interest rate shall not be increased more than 1/4 of one percent in any calendar quarter.

(Subsec. (B), (C) and (D) are the same.)

Proposed amendment to Sec. 19 as written in House CS for Senate Bill No. 666 (Finance) amH

(The proposed amendment is underlined with a continuous line; the dashed underlining is the amendment to AS.18.56.09(g)(2) by HCS SB 666.)

(2) The interest rate on the first \$90,000 of a mortgage loan for a single-family or duplex residence, on the first \$150,000.00 of a mortgage loan for a triplex residence, and on the first \$140,000.00 of a mortgage loan for a four-plex residence purchased with the proceeds of a second or subsequent issue of taxable bonds of the corporation shall be determined as follows:

(A) If the cost of funds of an issue of taxable bonds is more than the cost of funds of the preceding issue of taxable bonds, the interest rate shall be increased by an amount equal to the difference between the cost of funds of the two bond issues[.] provided, however, that during the period from July 1, 1982 to June 30, 1983 ~~that~~ the interest rate shall be increased by an amount equal to the difference between the cost of funds of the two bond issues up to a maximum of one quarter percent per issue of taxable bonds.

(Subsec. (B), (C) and (D) are the same.)

* Delete Section 23

* Add a new section to read:

AS 18.56.088(c)(5) establishment of a procedure including a fee schedule for the individual commitment of funds at a specific interest rate for a period not to exceed one year.

Rodey

Rodey

#48(d)(d)

Amendment to AS 18.56.098(g)(2)A modifying the ratchet:

(A) If the cost of funds of an issue of taxable bonds is more than the cost of funds of the preceding issue of taxable bonds, the interest rate shall be increased by an amount equal to the lesser of (1) the difference between the cost of funds of the two bond issues (.); or (2) if the difference between the cost of funds and the interest rate is equal to or less than 5.75 percent, an amount equal to the difference between the cost of funds of the two bond issues up to a maximum of one quarter percent per issue of taxable bonds; or (3) if the difference between the cost of funds and the interest rate is greater than 5.75 percent, an amount equal to the excess over 5.75 percent.

Failed 5/12

Proposed Amendment No. IV 48 (e)
by Conference Committee on HCSSE 666(Fin) am R

Page 19, after line 27:

Insert a new section to read:

* Sec. . Notwithstanding the provisions of AS 18.56.098(g)(2), the interest rate on the state-subsidized portion of a mortgage loan purchased by the Alaska Housing Finance Corporation under the special mortgage loan purchase program (AS 18.56.098) may not increase more than one-half percent after each applicable issue of taxable bonds up to a maximum increase of one percent during the period between the effective date of this Act and July 1, 1983. However, if the application of this section would result in a difference between the interest rate and the cost of funds, as that term is defined in AS 18.56.098(g)(7)(A), of more than five and three-quarters percent, the interest rate shall increase instead to a rate that reduces the difference between the interest rate and the cost of funds to five and three-quarters percent.

48 D

Proposed amendment to Sec. 19 as written in
House CS for Senate Bill No. 666 (Finance) amH

(The proposed amendment to AS 18.56.098(a)(2)(A) is
underlined with a continuous line.)

(A) If the cost of funds of an issue of taxable
bonds is more than the cost of funds of the
preceding issue of taxable bonds, the interest
rate shall be increased by an amount equal to
the difference between the cost of funds of the
two bond issues[.] provided, however, that if
the difference between the cost of funds and the
interest rate is equal to or less than 5.75
percent the interest rate during the period
from July 1, 1982 to June 30, 1983, shall be
increased by an amount equal to the difference
between the cost of funds of the two bond
issues up to a maximum of one quarter percent
per issue of taxable bonds.

(Subsec. (B), (C) and (D) are the same.)

Amendment II 7
by the Conference Committee on HCSSB 666(Fin) am H
Adopted May 10, 1982

Passed
5/10

Page 7, line 25:

After "state" insert ", other than in an area where the division of
housing assistance has a loan office"

Proposed Addition to HCS for SB 666 (Finance)

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

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

1) page 2, line 7: amend to read:

interest be the state in the principal amount of not more than \$300,000,000
[\$400,000,000]

2) page 2, line 19: amend to read:

[\$400,000,000] \$300,000,000 of its revenue bonds that are unconditionally
guaranteed as to

3) page 3, line 5: amend to read:

Mortgage Bonds [\$400,000,000] \$300,000,000

4) page 3, line 10: amend to read:

principal amount of not more than [\$400,000,000] \$300,000,000 for

Amendment No. III #5

Adopted 5/5

TO: HCSSB 666(Fin) am H

Page 4, line 7:

Delete "AS 16.10.300 - 16.10.370" and insert "AS 16.10.310(a)(1)(B)"

Page 4, line 28 through page 5, line 4:

Delete all material

Page 5, line 5:

Delete "(2)" and insert "(1)"

Page 5, line 6:

Delete "(3)" and insert "(2)"

Page 5, line 7:

Delete "(4) may" and insert "(3) shall"

Page 5, line 9:

Delete "(5)" and insert "(4)"

Delete "75" and insert "90"

Page 5, lines 14 23:

Delete all material and insert the following:

* Sec. 10. AS 16.10.320(d) is repealed and reenacted to read:

(d) Loans made to a borrower under AS 16.10.310(a)(1)(A) may not exceed a total of \$300,000. Loans made to a borrower under AS 16.10.-310(a)(1)(B) or (C) may not exceed a total of \$100,000. A loan to an associate of the borrower is considered to be a loan to the borrower.

Page 6, line 6:

Delete "AS 16.20.320(e)", and insert "AS 16.10.320(e)"

Page 6, line 12:

Delete "(a)(1)" and insert "(d) [(a)(1)]"

Page 6, line 20:

Delete "75" and insert "90 [75]"

Page 6, line 23:

Delete "granted" and insert "made [GRANTED]"

Page 6, line 24:

Delete "AS 16.10.333(a)" and insert "AS 16.10.310(a)(1)(A) and (B)
[AS 16.10.333(a)]"

Page 6, line 27 through page 7, line 7:

Delete all material and insert a new section to read:

* Sec. 13. AS 16.10.320 is amended by adding new subsections to read:

(h) A loan for an entry permit under AS 16.10.310(a)(1)(B) may be made for up to 100 percent of the appraised value of the collateral

used to secure the loan if the borrower demonstrates that (1) he has at least three years of experience as a commercial fisherman in the fishery to which the entry permit applies; and (2) he has not owned an Alaska limited entry permit in the year immediately preceding the application for the loan. In this subsection "three years of experience as a commercial fisherman in the fishery" means that for an accumulated total of three fishing seasons in the same fishery the borrower has actively participated in the commercial harvest of fish under the direction of a limited entry permit holder.

(i) If a loan is made to a borrower under AS 16.10.310(a)(1)(A), a subsequent loan may not be made to the borrower or an associate of the borrower under AS 16.10.310(a)(1)(B) or (C). If a loan is made to a borrower under AS 16.10.310(a)(1)(B) or (C), a subsequent loan may be made to the borrower or an associate of the borrower under AS 16.10.310(a)(1)(A) if the total of the loans received by the borrower or the associate under AS 16.10.310 does not exceed \$300,000.

Page 19, line 18:

Delete "16.10.560 - 16.10.720" and insert "16.10.650 - 16.10.720"

Page 19, after line 27 insert new bill sections to read:

* Sec. 50. All assets of the fishermen's mortgage and note fund (AS 16.10.650) are transferred to the commercial fishing revolving loan fund (AS 16.10.340). Repayments of principal and interest on loans made from the fishermen's mortgage and note fund shall be deposited into the commercial fishing revolving loan fund by the commissioner of the Department of

Commerce and Economic Development as they are received.

* Sec. 51. A borrower who receives a loan before the effective date of this Act under AS 16.10.650 - 16.10.720 may receive a loan under

(1) AS 16.10.310(a)(1)(A) after the effective date of this Act if the total of the loans received by the borrower under AS 16.10.650 - 16.10.720 and AS 16.10.310(a)(1)(A) does not exceed \$300,000;

(2) AS 16.10.310(a)(1)(B) or (C) if the total of the loans received by the borrower under AS 16.10.650 - 16.10.720 and AS 16.10.310(a)(1)(B) or (C) does not exceed \$100,000.

* Sec. 52. A borrower who receives a loan under AS 16.10.310 before the effective date of this Act may receive a loan under

(1) AS 16.10.310(a)(1)(B) or (C) after the effective date of this Act if the total of the loans received by the borrower under AS 16.10.310 before the effective date of this Act and AS 16.10.310(a)(1)(B) or (C) after the effective date of this Act does not exceed \$100,000;

(2) AS 16.10.310(a)(1)(A) after the effective date of this Act if the total of the loans received under AS 16.10.310 before the effective date of this Act and AS 16.10.310(a)(1)(A) after the effective date of this Act does not exceed \$300,000.

* Sec. 53. Notwithstanding AS 16.10.320(i) and secs. 51 and 52 of this Act the total of all loans that a borrower receives under (1) AS 16.10.650 - 16.10.720; (2) AS 16.10.310 before the effective date of this Act; and (3) AS 16.10.310 after the effective date of this Act, may not exceed \$300,000.

* Sec. 54. In secs. 51 - 53 of this Act a loan to an associate of a borrower is considered to be a loan to the borrower. In this section "associate of a borrower" has the same meaning set out under AS 16.10.320(d).

Page 19, line 28:

Change "Sec. 50" to "Sec. 55"

III 5

Dept. of Commerce

Proposed amendment to SB 666:

Repeal AS 16.10.337 (c)

Sec. 16.10.337. Deficiencies and transfer of entry permits after foreclosure. (a) Upon a foreclosure on an entry permit as provided in AS 16.10.335, the commissioner shall offer the commission a right of first refusal if the permit is subject to a buy-back program under AS 16.43.290 — 16.43.330 at a price equal to the amount outstanding on the note plus any costs the department directly incurred in administering the loan.

(b) If the commission does not exercise its right of first refusal within 30 days after it receives the offer, or if the permit is not subject to a buy-back program under AS 16.43.290 — 16.43.330, the department shall promptly notify the debtor of this fact. The debtor has 30 days from the postmark date of the notice to nominate a person qualified to assume the note. The person nominated must qualify under the requirements of AS 16.10.333(a). If qualified, he may assume all rights and liabilities of the original debtor.

(c) If the debtor is unable to nominate a qualified person to assume the note under (b) of this section, the permit must be made available to a qualified person, chosen as provided in this section, who must assume the note subject to all rights and liabilities of the original debtor. The commissioner shall provide the commissioner with a list of persons chosen by lottery who qualify as transferees of entry permits under AS 16.43.010 — 16.43.380 and regulations adopted by the commission and who have met the residency and commercial fishing participation requirements of AS 16.10.310(a). The commissioner then shall determine, in order of presentation, any remaining qualifications. The commissioner shall allow the first applicant meeting all qualifications to assume the note.

(d) Nothing in this section affects the right of the commissioner to institute legal action for a deficiency resulting from a default on a note given under AS 16.10.333. In addition to any deficiency, the debtor is liable for the costs of administering the note and for costs and attorney fees. (§ 4 ch 83 SLA 1978)

Passed
5/5

Amendment III # 31
by the Conference Committee on HCSSB 666(Fin) am H
Adopted May 10, 1982

PASSED
5/10

Page 16, after line 7, insert new sections to read:

* Sec. . AS 44.47.460(b) is amended to read:

(b) The director may execute service agreements with private lending institutions or with regional native housing authorities established under AS 18.55.996 to service loans originated by the division or loans originated under AS 18.55.997.

* Sec. . AS 44.47.460(c) is amended to read:

(c) Under the servicing agreement, the private financial institution or the regional native housing authority shall administer the loan and may charge the division a negotiated origination or servicing fee on the division's share of the loan. When appropriate, the private financial institution or the regional native housing authority may also charge the borrower a reasonable originator fee not to exceed one percent.