

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2772

Subject: FCCSB 1

pg #	Description
347	meekins: concern taken care of in HR Sumner: withdrew motions moved 80% on first come first serve next 20% based on allocation
	Q 6 in favor - motion adopted
368	Baldwin will draft language
374	mulc: am P. 35, L. 7 Rmeek asked U.C. consistent w/ AFEC act. No obj.
388	mulc: am. P 46, L. 18 = Pooling allowed Sumn: maximum? Sug up to 10 indiv or 10 mil\$.
420	meek: House action / position would be to not allow pooling.
436	Johnson - consider cond's.
451	Sumn: am w/ 10 mil\$ upper limit asked U.C. Meek: obj. Dis..
477	Cotten am to am? voting on Disce.
5	Q P 46 L. 18 & L. 21 - 4 in favor 2 opposed - meek / Cotten failed

#80-10 side 1+2

35
5/22/80

Subject:

FCCSBI

g # Description

526 P. 46, L. 18 Sumner moved to allow
~~\$10m~~ \$5m w/ \$10 ~~prop~~ pool,
 meek, Cotten obj. motion failed

537 P. 46, L. 24 : mule. am explained
 moved. ~~obj~~ Cotten obj.

80 Malone - Lang L. 24/25 is limiting lang.

571 Cotten - change P. 46 L 6+7? ~~failed~~

Yes, being redrafted. / Disc.

6 meekins comments - if loan is solid,
 going to 90% OK. mule - collateral/
 loan value - anytime getting up to 90%
 you're asking for ~~sm~~ soft loan program.

642 Sumner - leave as is + lending agency can
 make decision + have flexibility.

650 Wohlforth - bonded / appropriated proj.

663 Cotten / Hayes comments. Disc.

699 meekins - P 46 - is this only entity
 making loans under this Auth?

Wohlforth explained other ways
 of bonding. Disc.

73 Sumner question taking (2) out?

Tape Change - #80-10 side 2

001 Gallagher answer

#80-10 side 2

Subject:

FCCSB 1

g #

Description

12

meekins lang only applies to loan acct.
not "where real action is".

45

mulcahy - realize that in making am.

71

Sumner moved delete P. 42 L. 24, 25

Cotten obj. motion pending mulc.
motion out-of-order

Cotten req. lang. re: allowing person
to receive larger % of cost of project.

101

meekins P. 47. L. 2 mort ins. ?

Haphazard insurance - Wohl. Explained

143

COTTEN - AM #11 (filed earlier) will have sub.

AM #10 MVC

MEEKINS AM #5 - MVC

AM - NO OBJ. AM 5 adopted

COTTEN AM #6 - MVC

MEEKINS - AM #6 P. 54, L. 3 & 4 - NOT VEC.

Sum - MVC TO DELETE 1st PT AM #6 § ITEM

3 AT BOTTOM - ADOPT...

COTTEN - MVC LANG. ON P. 54 (DELETE #5)

AM - NO OBJ. SO ORDERED

COTTEN - MVC P. 57 L. 1-5 (TO conform to
rest of bill.)

AM NO OBJ. SO ORDERED.

COTTEN - P. 20, LINE 21 - MVC

AM - OBJ.

10
Side 10

neral Subject:

g # Description

343 SUMMER
MVC TO ACCEPT ALL AM. EXCEPT # 10 ADD
PURPOSES OF DRAFTING. # 11 FOR

M = HRAV. NO OBJ. = SO ORDERED.

360 SUMMER = ASKED STAFF TO PREPARE BY 8:30.

394 ABJOURN 11:55 pm. - TO RECONVENE, 10:00 am 5/30

General Subject: FCC on 5B1 (Loan Programs)

Present: Senators: Sumner, Mulcahy, Huhman

Representatives: Meekins, Hayes, Cotton

Others: Bill Allen, Don Hostack, Dave Scott, Jerry Schile, Elmer Lindstrom, Bob Dupere, Eric Wohlforth, Jim Baldwin, Bob Bettisworth, Sterling Gallagher

Log #	Description
394	Convene: 10:50 am (Meekins chairing)
	Meekins - accepted all amend. but 10 & 11.
	Cotton - still have to go over first 10 pages of the bill
416	Hayes - stmt. re: drafting position of bill
	Mulcahy - 2 more amendments (small ones)
	Meekins - move non-conforming loans back to Commerce (housing)
441	At ease 10:55 am
	Reconvene 11:10 am (Amendments) ⁽¹⁰⁾ 1, 2, 3, 4, 5
	(#1) Meekins (N) #10) Define Eligibility
	(Cotton) last word last paragraph change "or" to "and"
	"at least five yrs; and"
465	Hayes - what does this do to Vet eligibility?
479	Cotton - Presently have to have 5 yrs. residency
	Don Hostack - Dir. Vet's Loan
	Present statute contradictory
	Amendment would straighten it out.
	Support change of wording to "and"
	Meekins
	(#2) p. 56 Line 5 - after word loan delete the word "monthly"
	Mulcahy - explanation of Amendment

Subject: FCC on SB 1 (Loan Programs)

g #	Description
576	<u>Mulcahy</u> - would allow Commissioner to make
	quarterly rather than monthly payments
	principal, interest, taxes, & insurance
540	Cotton question re: definition
538	<u>Meekins</u> - Amend. improperly drawn
	Phrase monthly is in quotes relates to
	something else in bill (p. 5)
	p. 6 change definition of monthly
	Baldwin - not used in this section - should be deleted.
52	<u>Meekins</u> - could relate to statute.
	Baldwin - section - everything after heading
	which goes w/ statutory number. (Sec 390)
598	<u>Mulcahy</u> - question re: repayment
	<u>Meekins</u> - Hold amendment may be drafting
	error and can be deleted - Baldwin
	to check w/ Vasser
	# 3 Amendment (meekins) Objective
	Cotton, Meekins, Lehman - for } Failed
	Sumner, Hayes, Mulcahy - against }
643	# 4 Amend. p. 38 Line 21 delete $\frac{1}{4}$ & insert $\frac{1}{2}$
	<u>Mulcahy</u> - explain service fee collected
	out of interest on loan. (Raised
	from $\frac{1}{4}$ to $\frac{1}{2}$)

Subject: FCC on SB 1 (Loan Programs)

g # Description

- 658 Hohman question re: packaging of service fees
Mulcahy - costs of putting the loan together
- 678 Meekins - this 17% of the total loan (upfront
surcharge (plus servicing charge to
borrower & servicing charge to secondary).
3/8 of 17% normal charge to borrower
amend. would increase % to secondary
- Mulcahy - feel servicing fee should be negotiated
fee.
- 700 Cotton - why is servicing fee based on %
is larger loan more difficult to compile?
- 710 Mulcahy - Reply to servicing costs.
- 719 Cotton - Stmt re: payments over life of the loan
- 727 Mulcahy - State getting collection work done by the
bank. transmission of paperwork
and bookkeeping process
- Change Tape FCC-80, SB 1 #11 (side 1)
- 626 Mulcahy - Stmt. re: difficulty in following up on
rural loans. (more expensive to service
rural areas)
- 074 Hohman - question re: servicing fees.
- 100 Meekins - distinction between packaging & servicing
(servicing ongoing)
- ✓ Deferral Action on Amend. #4

Subject: FCC-80 SB1 (Loan Programs)

Pg #	Description
129	#5 Meekins - move non-conforming housing loans from CTRA to Commerce
	Concern CTRA starting from scratch as far as loans go. Commerce in business of making loans.
167	Schman - Consider this as an amendment to AIDA?
180	Meekins response - At ease 11:40 am
187	Meekins withdraw Amend #5
19	Hayes move Amend. #6 "what constitutes 'small business'" - sales
201	Baldwin - handouts Amend. #6 adopted
237	Baldwin - start re: redraft sometime this afternoon ADP bill.
254	Meekins - before recess listen to Mr. Baer departing on afternoon flight.
300	Mr. ^{Barries} Baer - presentation re: bond market Taken loan situation Pipeline seems more backed up than anticipated Mortgages + bonds 10 1/2 concept taken away 8 1/2 for Veterans Loans heavily subsidized

Subject: FCC on SBI (

- | g # | Description |
|-----|---|
| 371 | Position of subsidy in relation to tax exempt status of bonds |
| 382 | Up front demand
Mortgage loans made from Bond Proceeds.
Within 60 days will know how much it took to subsidize the tax. |
| 415 | Suggest that you appropriate additional \$100 million cash so AHFC can complete package in order to handle subsidy and take up slack from the bonds as well as allow for tax exempt status. |
| 440 | State's money will be well taken care of and allow best possible shot at bond market. |
| 451 | Will allow mortgage loans to adjust to loan situation. |
| 465 | Importance of how you do it as well as how much.
Stress importance of (FD) approach to floating interest rate - makes more sense from money standpoint. |
| 484 | Fangman take out rate 12-1/2.
Short term market will improve w/recession
Within 6 mos. will be looking at mortgage rate at 10-1/2. |
| 501 | As Alaska situation improves AHFC will |

Subject:

Description

- retreat to middle & lower income funding - Feds will allow to function on this basis indefinitely may not do so if funding upper income.
- 532 Interest below $10\frac{1}{2}\%$ prevent phasing into private sector financing as well as creating demand for lower interest financing.
- 547 Raise Ins. fund (13 million) sufficient to insure state mortgages. Need to monetize and have in place for bond board.
- 557 Summer - Did you suggest we not readjust rates? After cloud lifted and fixed rate at $10\frac{1}{2}\%$
- 589 Response - re: borrowing of tax exempt money.
- 601 Summer - non-taxable bond rate $8\frac{1}{2}\%$
- Min
- 612 Barnes cont'd
- ~~SUMMER~~ - ASKED DUPRE ABOUT HOUSING RATE.
DIFF BETWN 8.5% & 10.5% \$ (DIFF. DUPE WOULD PAY ON 100.0 HOME
- 629 DUPRE: AB ON 50.0 MORT. AB \$128. PER MO. DIFF. (\$46.8 a life of contract)
- 669 SUMMER: NEED SOME WAY TO RE-ADJ RATE DOWN. IF SELLING BONDS AT 8.5% -
- 687 MEELING - COMMENT ON CURRENT HS. BILL - CHG. ONLY $1\frac{1}{2}\%$

Subject: FCC SB 1

g f.	Description
693	Sum - WE SHOULDN'T CHG PUBLIC ANY MORE THAN COST TO STATE BARNES - (AK. ASKING FOR)
	FURTHER COMMENTS -
726	MEEKINS - COMMENT ABOUT CONFUSION IN CONVERS - INTEREST Tape 11 Side 2
12	Barnes - RES: CLOUD OVER MARKET
39	SUMNER - Q ON FIGURES - CAP. RES. FND.
	Barnes - RESPONSE 46 - C R F
	11.5 - Underwrites discount
	2.5 - goes into mortg. In acct
	Sum: B or B earned in interest
78	Barnes: will be in certificate - money market for higher rate than AK. since fund will grow.
98	Sumner - Q on pass prob - She "smooths" the pkg.
	Barnes - the more it costs the consumer asked how flexible that pkg can be - do not want it to be one-sided.
141	Barnes - ~~it~~ Its within flexibility of AK. to readjust mortgage rates down. Its legal. You can make decision as early as Jan.
	Sumner - Not sympathetic to prob of AK. Henry W. Wolford just wants to keep interest rates down asked for letter confirming above.

11
Side 2.

Subject:

fcc - SB 1

9 # Description

198 Meekins - If int. rates were even lower,
ex. if 10.5 were taken offBarnes - For Feb, Mar next yr the additional
100 mil. would be gone.Any mortg. made below 8.5 it gets
tight very fast. Need to do estimate
based on rough ~~estimated~~ figures

Sum - need to work on int rates

approp

SB 205

269 Recess until 5:30 (or after joint
session)269 After Recess - called to order
Sen
present: Rep.

269 Recessed: 5:30pm (Meekins chairing)

Senators: Mulcahy, Mahan, Sumner

Reps: Cotton, Meekins, Hayes

275 Cotton # 9 No objection to amendment
ties in w/ # 5

\$40. operational expenses DNR - mining program

312 Sumner question re: 75% economic dev. ratio
property 90%

323 Mulcahy - assurance that we do have ratio

Meekins 9-10 to 25-23 (ready to vote on change?)

Subject: FCC on SB1 (Loan Programs)

log #	Description
343	Mulcahy - assessment of 75% mortgage ins.
350	Meekins - Do not share concern or feel language is needed in statute
	For - Sumner Hayes, Mulcahy ^{failed}
	Against - Cotten Hahman, Meekins
	✓ #5 (approved) Wohlforth language
	p. 46 lines 6 & 7
377	Meekins - limit to purchase for exempt bonds also direct approp. from gen. fund.
388	Cotten - question re: development authority
	If legis. appropriates into account for that purpose can loan be made
	Meekins - money goes into account.
422	#6 - Servicing fees (Mulcahy Amend.) adopted
	Cotten add bottom line "not to exceed 1%" adopted
442	Hayes question
445	Mulcahy - different banks charge different fees this is reasonable
	Sumner moves amend. to amend. and amendment ^{adopted}
	✓ p. 56 "monthly" question satisfied.
467	Amend. #11 (Mackinnon) lines 5 thru 9
4	Cotten - consideration should also be given item 7
	Sumner - 9 1/2% everyone 8 1/2% vet.
487	Cotten - (N) 3-rate plan

General Subject: FCC on SB1 (Loan Programs)

pg #	Description
492	Original purpose AHFC moderate low income housing finance - change of program.
501	Sumner - AHFC becoming primary rather than secondary source.
509	Meekins - ^{we} passed ADA Bill - being drafted - ADA will pass first - if passes, SB1 will change to accommodate ADA. If not, SB1 pick up slack. If that is agreeable, we have something we can sign.
510	At ease 5:45 pm. Reconvene: 6:05 pm.
529	Sumner - accept proposal w/ exceptions (1) draft both bills to include non-conforming (2) settle dept. issue now. (3) ADA to pass first
535	Johman - stmt. re: title & no for passage of ADA. ^{3:55 pm HB 1021}
552	Sumner - ADA goes to floor first both Houses to have chance to vote on - then SB1 comes to floor.
562	Meekins - both bills go out of committee but ADA goes first
571	Meekins SB1 w/ nonconforming (speaker and president to hold pending action on ADA)

General Subject:

FCC 581 (Loan Programs)

pg #	Description
581	Sumner - next team will be discussing interest rate etc. will be bound by this commitment. Meekins - this is solution to structure of ADA.
602	✓ Cotten #4 move that non-confirming goes to Commerce. <u>Sumner interest to 9 1/2 %</u> (8 1/2 % Vets - 9 1/2 % all others - AHFC) Failed.
633	House says max - 8 1/2, 9 1/2, 10 1/2 % (ceiling) Cost plus 1 1/2 % (Cost of bond money)
646	Sumner - Don't think it's fair to charge 1 1/2 % more (above cost) to one buying home.
656	Meekins - Borrower would never pay more than 1 % more.
663	Sumner - what is maximum home buyer would pay. Dupire - 9.7 % using 1 %. Sumner - propose 9.5 % ceiling.
676	Sumner - Public does not want separation of categories other than Vets.
690	Give all Alaskans benefit of low cost housing financing. Do not want to make distinction between classes of people.
703	Cotten - Adjustment according to income.

General Subject: FCC on SB 1 (Loan Programs)

Page #	Description
	Note: Stipulate Locate under Commerce (non-conforming loans) 8 1/2 + 9 1/2 or not more than 1% above Cost of money Failed ^{For: Summer, Noh, Nages} _{Against: Mulcahy, Cotton, McKinns}
722	McKinnon - graduated payment mortgage proposal - pay less at beginning, more at the end.
727	At ease 6:20 pm. Reconvene: 6:47 pm
	Summer - not willing to go higher than 8 1/2 - 9 1/2 w/ letter of intent.
004	Cotton - does not want to be placed in position of appearing to be for high interest rates and against low rates.
	Summer - letter of intent re: interest rates to be voted on in both Houses
	New Tape FCC-80 SB 1 # 12 (side 1)
056	McKinns - Object - problem w/ interest rate location of non-conforming fisheries loans.
073	McKinns - McKinnon Amendment Mandate from floor to include McKinnon Amend. Against separate letter of intent

General Subject:

Pg #	Description
101	Wahlforth & McKinnon
108	Graduated payment 30yr. mtg.
	\$80,000 at 10 3/4% Start at low level and increase over life of mortgage. Higher total cost over life but permits those who need help to get into housing.
146	Doesn't eliminate downpayment
	Doesn't change interest rate
157	Wahlforth- Really haven't examined whole program. Mortgages of this type may be <u>financiable</u> . New concept. Leave out definition of graduated payment.
190	Cotten- if legis. gave authorization for graduated payment in statute, would you finance.
	Wahlforth- If they were <u>financiable</u> , yes.
211	Hayes question - need for repayment schedule for bond. - question re: cash flow
249	Dupere - ~~Normal~~ Normal life vs. graduated payment life
265	McKinnon - spoke w/ Commissioner Williams. Felt there would be way to finance.
283	Dupere - may have to pay more interest because they use the money longer.

FCC on SB 1 (Lean Programs)

299 Mulcahy - interesting idea for settled or
average Alaska occupancy quite short.
Question re: problems w/ later assumption
(6-yrs. into mortgage)
Average nationally 6yr. breakeven point.

339 Committee Discharged

7:05 pm.

General Subject: SB1 (Loan Programs)

Present: Senators: Tilliox, Rodey, Mulcahy
 Reps: Malone, Freeman, Bettisworth
 Others: Eric Wohlfarth, Sterling Gallagher, Ken
 Vassar, Mike Doogan, Tim Rhode, John Sund,

pg #	Description
000	Call to order 11:05 Mike Doogan (Rodey Chairing) Start. re. Sec. 3 FN Sec. 4 commerce & economic develop. to conduct authority for 9 mos. (first 3 programs) until AK. Industrial Authority passes its bonds.
055	Malone question re: ADA Loans
074	Rodey question re: cash draw down. ADA made case for programs here but none other.
105	Malone - crank up time for authority to function My outlook is that this is something to be better exercised by next legis. but have no objection to trying
139	Doogan - Wagner estimates 6 to 9 months before ADA is functional - programs funded for that period
157	Doogan - Small business loan market Funding strictly upfront cash for bond sale Sec. Approp 146 million assets in treasury to enterprise dev. fund. ADA anticipates 55 million worth of bonds

General Subject:

Pg #	Description
196	Sufficient security in market to generate interest
	in bond purchase. - unused funding would
	lapse back to general fund on annual basis.
223	Gallagher start. re: bond coverage
237	Rodey - figures re: leveraging - ADA
	Sec. 3 no leveraging
	Sec. 4 81 million + 140 million business loans
	Sec. 5 + 6 anticipate reg. leveraging ratio
	Security in excess of amount to be bonded
279	Gallagher - uppermost figure \$150 million
279	Bettisworth - ADA should portfolio move w/ADA
291	Doogan - start. re: extent of bond guarantee
	need to keep gen. fund "dead money"
	to minimum to "make the bill fly."
310	Doogan lapse clauses
	Some approp. AHFC + commerce - immediate
	2, 5, 6 approp. of fixed assets to ADA + AHFC.
337	Doogan - portions of ADA legis. contingent upon
	SB 1. \$265 million total to be
	appropriated under ADA.
358	Malone - do reps. from AHFC have comments
	to 205
370	Wohlforth - mortgage transfer and existing
	format 2% mort. insurance amend.

Subject:

Description

- 387 Wohlforth - p. 1 line 16 delete and insert new language - increases ins. fund 68 to 13,980
2nd Amend - makes more flexible lapse language
p. 2 line 12 - after word program "and or"
13 - after pledge "or otherwise secured".
Broadening authority to retain funding
p. 3 line 28 + 29 "either not needed or not pledged or otherwise secured"
- 461 Malone - question re: pledged or otherwise secured
Wohlforth - "or otherwise secured" would cover covenant to do so in the future.
You may not wish to have language that broad.
"which are not needed . . . or otherwise pledged or secured"
- 499 Gallagher - stmt. re: whether needed to sell bonds
AIDA does need it.
- 512 Doogan - substantial amount debate as to what bonds will look like. Already 4 times secured. There is point where purchaser stops looking at bond and looks to security.
- 538 Malone - since Wagner is here - hear comments on 205
- 546 Rodey - Finish this now
Wagner - Admin. worked w/ @ Finance on bill

General Subject: _____

Pg # Description

Feel Bill will work. Depends upon changes made to SB1

573 Malone - do you have other amendments?

Sec. 4 & 5

Sec. 4 Business Round - direct loans while ADA prepares to go to market.

Wagner - correct

591 Rodey - how will they be administered

596 Wagner - this is dollar for dollar funding for transition - now require 10% bank participation bank will service if participating dept will service if not.

607 Vassar - question re: "or" wording in amendment clarification of intent - if needed or pledged will not lapse.

630 \$265,735.00 Deogan - total figure (205) including cash flow.

643 Set 205 aside - precede to SB1 (Rodey)
Amendments adopted by first FCC
HCS for SS SB1 dated 5/80

659 Malone - two classes amendments.

(1) technical offered by agencies

(2) substantial amends. adopted by FCC

Other amends incorporated procedurally in HCS for SS SB1

Subject:

Description

- Malone - would like to review unengrossed amendments incorporated by (H) as part of document 695
- Tillier - start as though they are not part. and require majority to adopt.
- 704 Malone - Unengrossed amendments procedural approach.
- 714 Freeman - these amendments would appear in bill except that Speaker waived engrossment
- 725 Bettsworth - need no. identifiers
- Roddy - start w/ Hayes amend. #1
- Malone - amendments according to where they apply in bill.
- 743 Tillier - certified amendments - start with these?
- Malone - these really don't need ~~need~~ nos.
- 754 Roddy - Will accept as part of the bill
- 787 p. 12 Hayes amend. #1 - transition
- 791 Malone - vary effects of amend. need explanation of (1) purpose (2) cost
- 810 there is also debate on no. backed up applicator need someone from Revenue (deferred)
- #2 p. 13 line 6
- Composition AHFC board - puts (3) public members on board. Ques. will board be publically controlled or Adm. controlled
- p. 6 line 13 bill -
- Malone - broadening of board w/ public members

General Subject: _____

Pg #	Description
	no position
853	Rodey concern not designated heads of Depts. feel need for Commissioner of Revenue, Commerce & C&RA
	Reverse tape 2 nd FCC on SB 1 #1 Side 2
013	Dorgan - need for flexibility in not specifying Commissioner in case a commissioner be rejected - Governor could appoint a replacement
054	Rodey - feel need for Commissioner of Revenue.
0	Freeman - agree w/ Sen. Rodey
113	Bethisworth - move Commissioners Revenue & Commerce
145	Rodey - Motion would mandate (2) and leave one to be appointed
	Dorgan - would be ex-officio members but not non-voting
178	Tillier - Revenue & Commerce will be confirmed in office - 3 rd member will stand alone for later confirmation.
	✓ Motion adopted
225	Rodey Language re: #2 - Admin. & public members - no problem with language in bill rather than amend. - acceptable
350	Williams - question re: Commissioner tenure in office

205

General Subject:

Page #	Description
262	Tillier & Malone - Commissioner's position on board would serve as long as they are Commissioners - position would cease if no longer Commissioner.
280	Bethisworth - move for purpose of this board that Commissioners be re-confirmed every two yrs. - motion withdrawn
309	Rody - Sec. (b) will be confirmed
315	Malone - (14) amendments Certified (3 pages) p. 57 amend # 5 (unengrossed amends) line 10
331	subsec. (d) - direct housing loan program are conventional financing difficult to obtain Director who determines lower income take into account what it costs to live in the area.
367	Tillier - objection isn't so much to the amendments but to preferential treatment according to income.
386	Malone - again need to consider cert. amends. as part of the bill. If sec. goes, the amendment goes.
404	Rody proceed along those lines.
410	Proceed to hand written amend (Wahlforth #14)

General Subject: _____

Pg #	Description
	Sec. in order to - " ^{strike} assume mortgage loans in order to"
480	Wohlforth - the reg. shall include provisions to discourage non-home use of mortgage credit. (intent)
493	Malone - purpose of loan beneficial to program
501	Mulcahy - language re: assumption before 5 yrs.
512	Tilliri - mortgage funding way of getting a home not making a living.
523	Tilliri - Vets Loans where House loan is made and rolled every 7 yrs. Some people get loans every 2 yrs.
538	Bettisworth - How would that effect house upgrade
546	Tilliri - would suggest be precluded. Malone - substantial basis for "one bite" approach to mortgage loans. - Move Amend. # 4 - Adopted Amend. #5 (Cotten)
583	Tilliri - U.S. Gov. Discharge status. Allowing other than Honorable. Medical or hardship discharge acceptable. Need to word so one who loses fed. benefits loses state benefits
604	Cotten - Amend. needed due to drafting error. Sec. 3 adds reserves in Alaska

General Subject: 2nd FCC on SB 1 (Loan Programs)

Page #	Description
	p. 30, line 3 - was intended to change My position was that law should be left as is.
642	Tillini - would move that one who loses Fed. benefits, loses state benefits also.
653	Cotten - Vet. presently not eligible under state law if he has dishonorable discharge.
664	Malone - define eligible Vets according to statute
682	Rodey - move Cotten amended as is.
689	Cotten - leave as is - reserves limited; others according to statute.
704	Tillini - would prefer dishonorable discharge language.
710	Freeman - move amendment. Amend. #5 carries.
732	Malone - proceed thru technical amendments after lunch
743	Recess: 12:30 pm - to reconvene 1:45 pm AFTER RECESS,
756	Rodey - AM. #6 (FAHR, HACK, BERN) MINING REV LN FND - LEAVE: TILL LATER... NO OBJ.
	AM #7 p. 33 line 10 YELH
77	WOLFORTH - BRIEF EXPLANATION MALONE - PUTS IN SEC 38 RODEY - MVO AM. (NO OBJ) - ADOPTED

Side 1.

General Subject:

Pg #	Description
791	AM #8 p. 385, L. 7 MALONE - SAME POLICY AS AS ADK NO ONE MUD #8, MALONE TO MAKE POLICY SAME AS MEMBERSHIP RE: AUTHORITY (2 PEOPLE ON BOTH BDS) FREEMAN - G CA AM SELLS BONDS COM/REV. RODEY - MVD TO TREAT STRUCTURE OF AID BD SAME AS AGFC BOARD.
	MALONE - EXPL. WHO WLD BE ON BD. NO OBJ - AM #9 adopted.
808	AM #10 MALONE - P. 46, L. 6 & 7 PREVIOUS CMTS ADPTD - #5 LINE 24 & 35 (END TAPE 1 & START TAPE #2)
27	Rodey - comments "from ^{amts} approp by legis" and "anticipated" Welforth - comment on am. #10
	Malone: "may use assets.... 200" - ~~language~~ Vassar - comment on assets of account to purchase loans - But Malone - further comments ^{intent for} "enterpr loan acct" Discussion on technical language
	Till - agree on concept, so we could adopt it Rodey - asked Vassar to get correct language first.
169	freeman - G ex - timber ^{why not mentioned} pg. 16 - firstly in acct should be renewable, rel. acct.
	Wagner - def. of sm. bus. back of bill - liberal definition freeman - Disc of small bus enterpr.

Tape 2
side 1

General Subject:

fcc SB 1

Pg #	Description
225	Rodey p. 46 L. 24 am #11 change 90% to 75%
	Tillion - MVD the am.
	Mulcahy - to insure 75/25% ratio but if exceeds will carry insurance
	Wagner - comments. Investors wld like the 75%.
	Tillion - shall we move both parts of am together?
	Malone - OK w/ me
	Rodey - ^{I have} no obj. either -
	Malone - MVD to incorp. p. 46 line 25 / p. 26 line 24
	Rodey = Am. #11 ~~is~~ adopted. (and its am.)
329	Am. #12 p. 48 line 17 ^{delete} "occupant" insert "applicant"
	Wagner - offered by adminis. - expl. am.
	building not to be occupied by applicant. Vassar
	Rodey can MVD am. #12
	Malone = ~~obj~~ for info. (proj. were limited to occupant) a substantial change.
	Tillion - I approve
	Vassar - expl. am. in terms of other pages
	Malone - no real obj. to include all applicants meeting
	Aber criteria. Worried mainly about expansion of progr.
	no obj - just reserve
	Rodey = no obj am 12 adopted

Tape 2
side 1

Subject: FCC GB 1

Page #	Description
476	Rodney am # 13 p 52 L. 5 & 6 "occup." to "appli." Rodney - asked Vassar to check Mal - MVD am. # 13 Rodney - no obj. so ordered (am. # 13)
495	am # 14 by Hayes - changes "gross sales" to "gross income" Malone - asked about standards Tillion - comment forthwith - tax exempt interests only (thing excluded) gross income. Malone - comments - question of standards Wagnon - Never had prob. w/ - Doesn't want to put restriction on "gross sales" - "no admin prob." Bushery - comment - Rodney MVD am. # 14 - no obj. am. adopted
595	am # 15 p. 56 L. 5 Mulcahy - stated intent of orig. amendment. previous comm. deleted 5-9. No need for any of it now. Rodney - comment Vassar - comments - definitions unnecessary Rodney - MVD Sec. B, lines 5-9 be deleted entirely. no obj. am 15 adopted
659	am # 16, p. 58 line 21 by mulcahy mulcahy - just to make home ^{non-conforming} loan progr. more workable - now 1/2 of 1% rather than 1/4. flexibility should be left to depl. so they can negotiate - this am. is a compromise.

Tape Side #2
2, ~~Tape~~

start Side 2

General Subject:

fcc SB 1

pg #	Description
8	Tillion = "honorable / dishonorable" issue Rodey - p 31 line 6-9 by walforth asked walforth to explain.
37	Am. # 17 - p. 31 line 6-9 Malone - MVD am. # 17 intent of legis is in ^{auth.} law (no obj)
73	Am # 18 p. 35 line 2 Walforth - explained - Rodey - MVD. # 18 no obj - Adoptd Am # 19 Walforth - Expl. Malone MVD Till - ~~HEB~~ UN. CON no obj adptd
105	Am # 20 p 41 L 5 Walforth expl. Till - MVD, UN. CON. ^{asked} Malone - no serious obj. but asked to hold or discuss Rodey - Discuss now. Malone - comment on ^{more serious} effects of am. # 20. Q - what it does is allow auth. to pool lg. amts of cash cing in for various purposes of the auth. w/o Review of the annual Exec. Bdgt act. asked for expl.
202	Wagnon - If malone am. has been adopted, ^(it was) is there still a problem.

Tape 2
Side 2

General Subject:

fCC SB 1

Pg #.

Description

226 Welforth - expl. am. in terms of accounts.
control is 2-fold: 1. approp. int'l ec.
2. language here.
It will be poss. to pledge loan repayments to
bond holders.

Malone - further comments on his concerns.
am. should rec't

Welforth - the investment clause should be
removed - agreed w/ Malone on language.

Malone - asked 10 min break.

Recess

328 After Recess - 3:20
am. #20 - Rodey asked Malone.
Rodey - hold #20

345 am. #10 = Rodey asked Vassar if lang. was ready
Vassar - stated Welforth had language.

Welforth - expl. his language.

Malone = p. 26 line 26 - prop. language.

Welforth - further comment

Malone - asked to hold amendment longer.

Rodey - Agree - (Am 10 HOLD)

432 Doogan - brought up amend. adopted by previous fCC.
gives ^{clear} def. to titles considered marketable.
deletes sub sub sub C, insert (c) to read L. 23
the borrower is an Alaskan Native

tape 2
side 2

Subject:

fCC 4B1

Pg # Description

- 460 Tillion - question on foreclosing
Doogan - BIA has foreclosing procedures.
1 If not someone from C&PA to discuss
Tillion - will adopt but open again if not
"true collateral."
Malone - subsec B, pg. 57. - The idea is to
recognize there is a ^{basic} title problem.
this section is designed to recognize & incorporate
the problem.
Rodey - section creates marketable title - need more
inf., but Am not unsympathetic to it.
Tillion - asked if it's a viable title?
further discussion on same subject -
Rodey - asked Walforth for comments on fore cl.
in this category.
Walforth - not an expert, but no, I don't think so.
603 Malone - we need to consider non-conform. Hsqg in prog.
Till - some penalty has to fall on those not paying bills
Rodey - this will be called am #21. (HOLD)
627 Doogan - p. 30 line 4 - ^{another} "mystery amendment"
this sec deleted & replaced w/sec. 1st come 1st sec
1st 80% on bond issue, then for moving 20%.....

tape 2
side 2

Subject:

fcc SB 1

g # Description

646 Malone - comments on proposal - asked committee how allocation scheme in bill would work. Asked Jim Rhode to explain.

691 Jim Rhode - explained by contrasting w/ orig. house version. Lenders have offered several ways to do it. "Market share" ...

730 Commissioner of — = comments on allocating on basis of assets vs. market share. \$105 mil. housing progr. allocated - wkd very well 1st mo. but w/demand and rising int. rates used up \$ in 2nd half of second mo. an ongoing prog. w/ regional alloc. of funds - banking institutions won't have to be relied on. Will be better for the public. (Freeman asked if he found fault.) Response - if it's ongoing program w/ avail. funds, I'd rather have the marketplace determine who gets loans rather than the banking institutions. So you don't have disproportionate amt of \$ going to 1 or 2 cities.

Tillion - suggested splitting it - some 1st come 1st serve w/ some allocations.

Tape 3
side 1

Subject:

JNP FCC GB1

Description

001

Malone - comments / expl. of "allocations" - not strictly regional.

Mulcahy - my concern was w/funds, not language except w/prior commitment to build home. Bank looks at pkg - if fits criteria - go ahead w/\$ & go ahead rather than making applicant wait. If it didn't go through, the bank would buy loan - this was to be in monthly allotments.

Bettisworth - Interior feels we haven't gotten "fair share" when it's still going strong in Arch. This is a serious problem.

Malone - cont on language - p. 30

157 ~~Program~~ ~~Language~~ - language 1st by Rogers (ASC) allows certain banks to or regions to get almost all money.

171 Bettisworth - fin audit for Inter (fhrs) houses are headqtrd in Arch.

freeman - comment on 1st come, 1st serve, those strongest & w/ least need will come out on top. Doesn't seem fair. favors guaranteed equal access to the little guy.

2 Mulcahy - But BA^{cor} (the big guy) also has better ability to service the little guy. So there should be some allocation.

top e 3
side 1

neral Subject:

3rd FCC SB 1

g # Description

277 Bettisworth - best I think is "regional" concept.
Malone - on 1st come 1st Sr - at first agreed w/Bettisworth
but on a strictly econ basis we would want it that way. So then it gets to be just a "political" problem. Explained dramatically diff. mgmt proposed in the bill. Mgmt of corp. is resp. of com. of St. Govt. asked com. to consider reasonable regional allocation in this section.

Bettis Roddy - agreed. Language now is desirable in relation to allocation problems. Next session we can change based on facts. I have no partic. prob. w/ regional fig. So next Jan. that might be approp.

Bettisworth-MVD line & aft "activity" insert "by region" - to express our interest in other methods.

Malone - point about re-allocation - need language to make clear we can. (lack of demand or lack of funds.

4 Roddy - on Bettisworth's motion
(no obj) ans. # 22

tape 3
side

Subject:

g #	Description
449	Mulcahy - (on forward commitment) Language - ... fair we ... lending init... go ahead w/ building and send loan in later.
480	Wignen - said Mr Linton has ability to make forward Com.
	Linton - yes the lending initiat haven't asked us to.
	Mulcahy - but the pkg has to go through your approval procedure. Or could you set aside \$ ~~2~~ first.
	Linton - yes we have that ability. We'd do it if we are asked. Cost (fee) has not been established.
	Malone - Af so, we could incorp. Language in bill. or letter of intent. Should appear in law.
	Malone/Mulcahy to draft Language.
549	Freeman - region am. p. 30 line 10 should be changed to region. ~~it~~
	discussion on if its geographic or loan region.
	Radey didn't feel necessary. Asked Linton
	opinion of language discussed so far
	Linton - I think its broad enough to determine need.

Page 3
side 1

ner Subject:

Description

591 Am. # 20 p. 40 line 18 (?) Wolforth's am.
after "ext. dev. fund" insert ... ~~and the~~
(read. languages) removed investment lg in
C because its already in B.

"repayments of ~~principal~~ loan principal and
interest ... expended aft June 30 '91."

635 Malone - comments on Wol's am - clarifies
language - But one question -

lines 27-28 ~~then~~ w/ the am. it would
repaynt ... loan princ & interest would be treated
as progr receipts. Money not used should
lapse to State's G.F. We don't have
estimates of what those amounts will be over
a period of time - We're talking about
billions.

Rodney - asked for info. this evening - Malone
Malone MVD language by Revised Am # 20.
(both sections)

Rodney - no. of revised am # 20 adopted
we will take up question of lapsing
~~then~~ funds into G.F. to be approp.
by legis at later time.

Tape 3.
Side 1and start
side 2.

Subject:

2nd fee

Pg #.	Description
738	Malone - have technical amendments on non-conforming ... passed out
758	Malone - MVD - am. #24 ~~p. 59 - lines 11 & 13~~ p. 59 Lines 11 & 13
776	Rodey - no obj. so ordered Malone - am. offered by Ferguson - Till - non-conf loans now under C & RA Mulcahy - put " ^{OR} Commissioner" instead of ~~Director~~ Malone - p. 59, line 25 am. #25
825	MVD - no obj. so ordered am. #25 change director to commissioner discussion of which amendments to consider next. Malone - amend on "control" section sugg. director of prog for non-conforming loans explained amendment.
	Tilliam - preferred to deal w/ am. & be drafting for prog.
	Malone - MVD am #26 asked up. Con.
	(no. obj) - adopted
	Tape 3 Side 2
15	Malone - amendment to be #27 but will not move at this time
	am #27 by Malone. (2 pts)
	Malone - expl am - auditing ability w/ legis. performance repts by legis. Audit Dir. Hold til later

tape 3
side 2

Subject:

2ND SEC. SB 1

g # Description

- 192 Malone - comment on hourly break.
Rodey - Recess ~~to~~ till ~~6:30~~ 7:30 pm.
Take up Hayes' transitional language
and Minors Review Loans prog.
- 170 discussion of further amendments
freeman - asked to have am.'s identified by Spencer
Recess 4:50
- 199 until 7:30 pm.
Recall 7:35 pm
- 200 Bettisworth proposed time certain on taking
new amendments 8pm. Malone. Disc.
- 270 malone questions - intend to raise regardless
of ~~amendments~~ ^{motions} adopted. Further disc.
on amendment deadline.
- 348 Bett. withdrew motion
- 380 Rodey - transition am + others
sug. starting w/difficult concerns - transition
- 400 (P. 12, am #1. - Hayes) - transition language
(from original ^{emergency} loan program)
Malone - cause/effect of am. raises
24 million to 104 m#. effect in terms
of apportioning? Presented hand-out.
+ asked Dept. of Revenue for info.

#80-3, side 2

Subject:

2nd FCC SB1

Pg #	Description
476	Bushre - hand-out on status of oversubscription of emer. loan prog. - explained. Disc.
583	Tillion ~~would be existing debt to be able~~ questions Wohlforth - add money would be necessary above what in bill.
598	Malone - comments on hand-out & allocations / area am. looks in alloc. representing 1st come-some
619	Doogan - Existing bill lang. & am.
644	Rodey - need of \$105 - how much met w/ strong ongoing program. Linton wouldn't have crisis if we had money for-going prog.
662	Disc. - interest rate in am.
670	Malone - change in alloc. if am adopted.
703	Tillion - affect of staying with existing lang w/o am? Doogan have to add 4.5m\$.
717	Bett. - question long-term amount of bonds affected? Wohlforth - 40m is add amount of collateral necessary.
740	Tillion comments.
74	Malone - am changes priorities & inc. amount of up-front cash required.
	Rodey - <u>table</u> <u>am #1</u>

#80-3 Side 2
#80-4 Side 1

Subject: 2nd FCC SB 1

g #	Description
763	revolving mining loan fund am - by Fehrentkamp/Bennet. (am #6) mule. : collateralization 75/25. Time delay of 5 yrs on hard rock mining.
800	Disc. on am.
820	~~Bettis~~ Cost of prog? fln 40.0 ~~million~~ in DNR for operation 40 million request for loans.
830	Previous Committee adopted am #6 Further Disc.
Time Change FCC 80-4 Side 1	
09	Rodey moved am #6 (mining revolving loan)
17	Tillion am on interest rate? Bettis. 9 1/2% interest rate & a provision for deferred payment in hard rock section disc.
53	Rodey - 2nd mortgages - concerned : Disc.
90	~~Disc~~ Disc on am #6 muleahy am not designed for prospecting
260	Bettis. need for mining loans
300	Malone - prog. should be limited - way legis. is written ~~target of Corp~~ not - Tillion - only go to Corp. 51% AK. owned
344	Malone - limitation should be inc. in am.

Subject: 2nd FCC SB 1

pg #	Description
360	Borrowed AK. resident / Corp. owned by AKns.
37	Tillion rec - AKn. in mining for 5 yrs.
400	Vassar - eligibility requirements - Supreme Court ruling - Residency ^{requirement} suspect.
	Disc.
434	Tillion - sug. eligibility requirements be drafted as am. to am.
440	Malone - operating plan / feasibility determined by DNR + confidentialian / Loan made by DC+ED.
	Wagon - response DNR should be able to flow info to DC+ED + it could remain confidential.
498	Bettisworth - response + Tillion comments "DC+ED in consultation with DNR"
510	Malone - on DNR Expertise on Economic Evaluation - suggested private evaluation instead. Bettis - concurred
530	Further disc on am #6 - putting program in DC+ED.
578	Recess 8:45 PM (10 minutes) Recall 9:00 PM

86-46 Side 1

5/31/80

27

ner Subject:

2nd FCC SB1

g #	Description
590	Rodey - agreement in concept malone/Parr/wagon present correctly worded proposal in morning malone - availability of financing?
	Doogan am SB 205 to include \$10 million for program. ~~total~~ of \$300m, 24.225 million left after c' Further Disc. (300 million)
650	Rodey sug. AIDA undertake.
676	~~malone~~ Rodey - interest rate 9. P. 27 (AHFC Program)
696	No written am on interest ra
763	Malone - Disc. among Committee
768	Malone - am's in bill passed by H.
	comments on interest rate - recent bond offering.
815	Gallagher explained bond offering 9.65%.
820	malone - that would go out at 11%
	further comments - program envisioned to operate w/substantial state subsidy
830	Com. Tom Williams - presented hand-out
	malone - further on am's in H.B.

✓
 #
 Summary

eral Subject:

2nd FCC SB 1

#	Description
	Type Change
	80-4 Side 2
01	Malone continues - subsidy
60	Rodex - appropriate subsidy every year
68	Williams - subsidy question / funding w/bonds. affect on marketplace. Suggested 2 approaches. Explained effect of each. Presented language incorporating sug. 240 & went through provisions. Replacing interest rate provisions on P. 27 & Am #11 - certified by House.
300	Graduated mortgage Payments explained
331	Malone - Explained history of legislation to this point & reason ~~they~~ House came in with this rate.
434	Tillion - comments malone not incorrect
474	Freeman - wrong for Legis. to subsidize interest rate for people making 60.0 / 70.0
538	Tillion - subsidize - Williams proposal "spells it out" - Prefer 1% over what bond sells for. and ^{choice} 1st page Williams Rec.
570	Freeman - prefer no subsidy
585	Tillion - mort. asst. to only \$80.0. ~~and~~
603	Williams - interest rate

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

86-40 Side 1

5/31/80

27

ner Subject:

2nd FCC SB1

g # Description

- 590 Rodex - agreement in concept
malone/Parr/Wagon present correctly
worded proposal in morning
malone - ~~is~~ availability of financing?
Doogan am SB 205 to include
\$10 million for program, ~~cost~~ of \$300m,
24.225 million left after change.
Further Disc. (300 million GF available).
- 650 Rodex sug. AIDA undertake bonding.
- 676 ~~malone~~ Rodex - interest rate question.
P. ~~25~~ 27 (ATFC Program)
- 696 No written am on interest rate
- 703 ~~malone~~ Disc. among Committee members
- 768 malone - am's in bill passed by House.
comments on interest rate - recent bond
offering.
- 815 Gallagher explained bond offering 9.65%.
- 820 malone - that would go out at 11%
further comments - program envisioned
to operate w/substantial state subsidy
- 870 Com. Tom Williams - presented hand-out
malone - further on am's in H.B.

#6

Mining

eral Subject: 2nd FCC SB1

#	Description
	Tape Change 80-4 Side 2
01	malone continues - subsidy
60	Rodey - appropriate subsidy every year
68	Williams - subsidy question / funding w/bonds. affect on marketplace. Suggested 2 approaches. Explained affect of each. Presented language incorporating sug. 240 & went through provisions.
	Replacing interest rate provisions on P. 27 & Am #11 - certified by House.
300	Graduated mortgage Payments explained
331	malone - Explained history of legislation to this point & reason ~~they~~ House came in with this rate.
434	Tillion - comments malone not incorrect
474	Freeman - wrong for Legis. to subsidize interest rate for people making 60.0 / 70.0.
538	Tillion - subsidize - Williams proposal "spells it out" - Prefer. 1% over what bond sells for. 2nd ^{choice} - 1st page Williams Rec.
570	Freeman - prefer no subsidy
585	Tillion - mort. asst. to only \$80.0. ~~and then~~
603	Williams - interest rate

5/31/80

eral Subject:

2nd FCCSB 1

#	Description
608	Doogan - fec. problem w/disc. explained.
636	Tillion - interest not fluctuate once loan made
665	Wohlforth - average yield on mortgages, SAM Program Housing cost definition. fec. point on Williams proposal
717	Williams - language would allow SAM to operate w/tax exempt rates. (Doogan criticism)
743	Doogan - AHFC buys money; won't know for 1-2 years what cost is. will require some ~~para~~ subsidy.
758	Wohlforth response.
760	Rodey question for Linton - Flat amount for borrowed
775	Linton - political decision / rather than monetary
786	Malone - state subsidy - political decision
814	Tillion ⁶⁰⁹ Loan up to 80.0 mortgage 10% interest rate / 9% vets.
839	Tillion so moved.
842	Mulcahy sug. 90,000 Comm. Rec. + it be subsidized to that degree. above that amount pay "actual cost of money".
860	Tillion - sug. 90,000 not to exceed 10% + separate policy allowing sep. loan at bond market rate - 2 loans simultaneous am to am

5/31/80

General Subject: 2nd FCC SB1

#	Description
	Tape Change 80-5, Side 1
15	Tillion restated motion - drafter prepare correct wording.
54	Rodey comment subsidize equally
58	Malone comment on subsidy limitation
116	Recess 10:10 PM / Recall 10:25 PM
124	Gallagher - cost of proposal (Tillion motion)
19	Malone - 1% differential vet. loans - Tillion vet 9% / Standard 10%
223	Malone - assumptions made in motion
	Gallagher answered questions - cost
218	Williams } how cost more than SAM?
	Gallagher } Disc.
319	Malone - Williams proposal & HCSSB1 proposal
353	Williams - use tax exempt financing when possible
	Q/A - Malone/Williams
381	Tillion - Allman bill - state having to put up cash
402	Malone - fixed rate, design of appropriation
	Disc. Tillion comment on his am.
427	Bethisworth - Tillion interest not to exceed 10%
491	Uassar - clarification
503	Wohlforth - clarification

eral Subject: 2nd FCCSB 1

#.	Description
510	Rodey - difficulty w/cutting off at 80.0 Tillion response; Rodey - Disc.
548	Malone - rate doesn't vary on income levels in Tillion proposal. Tillion - smaller cost to match. Disc.
587	Malone - rec. including graduated mortgage payment concept. Is that compatible w/Tillion am? Tillion yes. Disc.
626	Malone - Graduated payment doesn't speak to state subsidy. Graph
658	Mulcahy. AHFC has ability to do now
662	Wohlforth - "have to test bankers heart" - this is new prog
683	Tillion - "may" gives option to do it
692	Wohlforth - sug. only first sentence of proposal be inc. - Disc.
715	Rodey - motion before FCC - Tillion proposal
723	Malone - clarification on motion ~~that~~ (Fanny Mae limit) Tillion explanation. Malone comments
788	Recess 11:05 PM / Recall 1:30 AM Tillion am
791	Malone ~~on to motion~~ Raised 90.0 ~~referred to~~ so moved.
810	Malone - vet's 1% less on first 90.0. not redefining in bill guidelines for total borrowing low/moderate inc. levels

5/31/80

eral Subject: 2nd FCC SB1

#	Description
840	No obj. - motion carried Uassar restated motion
857	Malone - lang. offered by Williams - graduated payment
	Tape Change
	#80-5, Side 2
000	Malone moved to inc. provision for graduated payment mortgages - authorizing AHFC Wohlforth rec. ~~lang.~~ concept - lang. by drafter
57	Malone - ^{intent:} ~~intent:~~ implement program if possible for AHFC.
	No obj. to motion - specific lang. tomorrow
100	Malone passed out add'l amendments: #31 access to state loan program in areas not easily served by finan. instit.
	Explained
153	Bettis. - C+RA in amendment? Tillion nonconforming loans in C+RA. ~~comment~~ Bettis. comments
194	Malone - am. allocation of lending in State thru private financial instit. #32 am. alloc. - regional alloc. #30 ~~am. #30~~

General Subject: 2nd. FCCS.B.1

#	Description
275	Meeting schedule
310	Add'l am. still coming - Malone (2) Tullion (3)
380	Next meeting - 11am / or after Senate Session
388	Adjourn 1:50 am

(383 -

General Subject: 2ND FCC - SB 1

Present: SEN: TILLION, RODEY, MULCAHY
 HL: MALONE, BETTISWORTH, FREEMAN
 OTHERS: LINTON, VASSAR, MIKE DOOGAN, JOHN SUND
 WALFORTH, GALLAGHER

Log #	Description
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383	CALED TO ORDER 12:10 pm.
-----	--------------------------

VASSAR brought committee up to date on language for previous ~~adopted~~ amendments on interest rates, & graduated payment loans (am #29)

408	Tillion - asked what amount over 90 would go for now Walforth - estimate on bond rate (sched. July 2) no way to say what it would be. This draft does not give authority to do so. So on 1st series of loans 10-90 would include an estimate.
-----	---

Bettisworth - plr expl.

Tillion - otherwise loans for over 90.0 (pipeline) cannot be handled.

Rodey - OK, w/o obj, please draft that language
 Gallagher - at 11% - and bond mkt is dropping, so rates could be lower. Actual \$ ^{est} 1.2.

Rodey - am #28 will have additional language before bond sale.

eral Subject:

#	Description
489	Am. #29 - Malone - on am. discussed last night. (13 in all) Do members have other am. before we go into #29.
	Rodney - only Hayes on interim problems.
	Tillion - thought the system was set last night
	Rodney - asked how Hs. wld like to proceed in terms of today's calendar
	Tillion - on int rate, we went up to 90, thinking everyone wld pay 10. If we open it up again, we have to reduce the ceiling, etc.
	Rodney - The miners am, from Rep. Parr, Vassar's, and yours.
574	Malone - am #6 reid procedure - to have am. draft put together before acting on it.
	freeman - pref'd to handle mining & fishing loans at the same time.
	Malone - back to recommendations on am. #6 sets up a "revolving loan fund" which doesn't really "revolve". Paper purchased at parr. Title changed to "Mining loan fund"
	- conform all sec. to "may"
	- ^{on} eligibility - delete 1 & 2 w/new 1. reading "1 - 2 on sec. 11 for 0.1. 60, 1 sec on exp. resident"
	③ majority in the state if stock is held by state res.

freeman - shouldn't we make change on int. rate
p. 3? Its 9.5 and everything else is 10.

Tape 5
side 2

Start tape 6
Side 1

Page: 6-1-80
4

General Subject:

2ND FCC - SBI

Description

- 785 Malone - response - could use last year's G.O. bond rate, maybe, equal to cost AK Dev. Auth.
Tillman - asked for motion from Malone.
Malone - preferred to have rate equal to value of \$ to state in its investment portfolios. But for mining, it could be considered a subsidy.
Bettis - mva rate be 10% (not to exceed 10)
Rodey - (no obj.) - adopted
Colletta - p. 2, deletion of DNR - maybe we could make clear here who has jurisdiction over minerals. Thinks DNR should remain there as the loan pre-requisite has to come from them.
- 795 Malone - expl. how bill is drafted now. People resp. for operation of progr. don't have auth to evaluate ^{the} progr. they're funding.
- 800 Bettisworth - There is a question that DNR has that expertise.
- 805 Wagon - Wld be more approp. for it to be in Dept. of Comm. ^{ent.}
DNR only has agric. loans so I feel we shouldn't spread it out even more.
- 810 Colletta - ~~the~~ comment on the dept. admin. loans shouldn't have to make the accessibility determinations on loans. DNR has that expertise.

eral Subject:

JWA FCC SB 1

- | # | Description |
|-----|--|
| 100 | Malone - DNR lending function is not as developed as Commerce. But I don't think it should be split even though DNR has access... expertise. Sugg. putting it in one place. |
| 132 | Colletta - well, ^{in Definitions} then put oil and gas in C & R.A.
Malone - I don't have. have obj to changing mining to extraction of minerals. Don't see reason to exclude oil & gas. |
| | Rodey - Malone then will draft lang. for am. the Mining Loan am. for com approval. |
| 189 | Rodey - next remaining - am #10 - ADA
Malone had held it for language draft. |
| | Malone - ~~to am.~~ am. #10 revised
Sec. on legis "Enterp. Dev. fund" ^{to which} legis approp. & Sec. 57 purposes of fund. Review - depending on level of approp. and dep. on earnings - assets of the fund - may represent a substantial amt of \$ over a period of time - poss. over a billion dollars. Since we're talking about an authority relating to specific gov't policy - what is degree of control over those authorities. That is the big question on this section. further expl. of funds - loan ins., etc. |

eral Subject:

2ND FCC - SB 1

- | # | Description |
|-----|--|
| 374 | Malone - rec'd that \$ avail from earnings of Enterprise fund (except to secure debts or advance bond issue) lapse back into G.F. and be approp. by legis. to existing authority.
p. 46 line 6 § 7
p. 41 line 22
Gallagher - asked how this would work w/ am. #20 that was adopted.
Malone - on am #20 (read am.) p. 41 line 25
~~At date~~
Walforth - does <u>not</u> see 1 st pt. of am #20 to be inconsistent. But second part is inconsistent - just technical.
Gallagher - there is a second am #10 that would effect the loan part.
Walforth - p. 46 am #20 adds lang aft h. 12.
Jones now deals w/ line 27. 1 st pt. ok w/ lang on p. 41.
Malone - lang. prob. can be worked out, but we need to discuss the issue. ∴ #20
530 Why should \$ not pledged be held by the authority? and used for any purposes of State gov't.
Gallagher - bonds are sold @ on efficacy of the total progr. we have to show there on continuing coverage for the life of bonds. I intend to |

Subject:

2nd FCC - SB 1

Description

put it in an accelerated sinking fund. Money will come back when all the bonds are paid off.

§85 Malone - Gallagher ^{says} - earnings are part of security for those bonds. The amount of coverage has to be equal to amount of bond holders. Asset pool backing up bond issue may reduce faster than bonds are paid off. But anything in excess of that should be avail. for any public purpose. Legis could approp. that \$ for some other purpose of govt. Why have it in the Exterior fund at all. Why not put it in G.F. The intent of the am. is not to reduce the asset pool for covering the bonds.

Rodney asked difference between Lapping & appropriating as progr receipts.

Malone - The question is - what is this agency doing with the \$?

Tillion - 2nd am. looks O.K.

Gallagher - am 10 and am. 20 have to work together. Asked for security to also be invested in Alaska loans.

Malone - reasserted point.

eral Subject: 2ND FCC - SB 1

#

Description

686. Gallagher - I can't show assets over 30 years coverage.

Malone - but what is reason for having that with the agency?

Welforth - previous lang. wld. have approp lapses by prog. receipts. In a broad covenant point of view its tougher who says at any point it is not required.

Gallagher - I guess what we're talking about is a time difference, or when we get money back.

Malone - Its not clear ~~we~~ that will get \$ back at all - it stays w/ the agency. and is approp as progr. receipts. If thats what the legis. wants. The Entrep. Dev. fund deals w/ everything except housing (HFC) we're dealing with a very broad. Legis review over that prog. should be more. Thinks its a substantial question.

Mulcahy - Is there any language to accomodate what Malone wants.

Gallagher - We have no disagreement w/ legis control. We just need assurance of adequate funds.

tape 6
Side 1

start
tape 6
side 2

Page:

65-80

eral Subject:

JND FCC - SB 1

Description

- 788 Wagnon - Comments on approp. level -
volume reduced already. Legis will
approve or disapp the bldgt of the agency
every year. I feel we're backsliding
into the same thing we're trying to
avoid. Sympathize w/ some of arguments
but---
- 814 Malone - further points... Lapsing to G.F.
will not damage program if legis wants
to expand progr. If it doesn't want progr.
to expand, then it shouldn't. Trying to
make sure that what happens in this
agency is a good law and what is det.
is a matter of public policy by the
legis. of Ok. - not by the agency or
constituent groups w/in the program.
- 863 Rodey - asked Malone if poss. to draft language
to satisfy both.
- 862 Malone - yes, I believe it is. & necessary for
coverage of bonds would be held and invested
by the authority. Those additional funds
not necess. for coverage could go to G.F.
- Tillion - If we can get ^{am}10 and am. 20 to fit.

eral Subject: 2nd FCC - SB1

Description

- 70 Gallagher - I think we can
Walforth - p. 41, line 27 I think with that
we can do it.
- Rodey - MVD that portion of am. no obj
- Malone - asked Walforth to work w/ staff to
develop language.
- Rodey - Ok, lets move on - go to 4:00 pm
break and come back at 7:00 pm tonight.
Talk about Definition re: foreclosure.
- 14 am. #21 - Tillion
- Tillion - shld be coming back when ^{we take up}
^{miners - Hold}
^{for now}
- 171 am. #23 - by Malone
- freeman - "I have amendments like some
people have mine."
- ~~am #23 - allocation lang.~~
- am #31 - allocation lang.
- 235 Malone - Sec. 30 of bill - prov. alloc. reg.
basis - based on need. $\$ =$. Then,
w/in regions it wld be 1st come, 1st serve.
- Comm. Williams - expl. prob. allocating \$ to
instit and getting them to get \$ to their
branch banks. We wld have no control.
This way you could be sure - also
gives auth. to corp. to adjust according
to need.

eral Subject:

2nd FCC - SB 1

Description

- 329 Malone - The am. wld. serve purpose of people.
Radey - 1st come 1st serve still worries me.
Malone - could take out that language - if a
person could think of a fair way to
put \$ out w/in a region....
Bettisworth - maybe allocate 80% of money
on this basis and keep remaining 20%
for poss. Pipeline probl.
Com. Work - Bggt difference is that this program
is on-going. As long as legis. approp....
Its going to call for more responsib. on part
of lending instit - but its ongoing rather
than using just a set \$ amount.
Colletta - this also is a qualified 1st come 1st sv.
based on allocation based on need.
Radey - during upcoming year we also may not meet
finite limits. Incentives built into progr.
are what make it work. ~~We may have~~
Hopefully we'll have built in incentives.
Comm. Work - Feb. we started at 9.5%. Was
very popular. a fire-sale bargain. We
created an artificial demand. people could
actually reduce their debts. I don't think
this progr. will develop the fire-sale
aspects.

Tape 6
Side 2

Subject:

JAP ICC - EB 1

Description

513 ~~Recall~~ 10 min (1:55 pm.)
Recall 4:15 PM

526 am - allocation of AHFC

Rodey - opposed to first come-first serve

535 Malone - 1st come-serve seems way to put most money within a region into the financial institutions making loans. sug. am to am. decision on alloc. on reg. basis made by a state agency & not fin. inst. Don't think am #31 will bring inequity into the program. moved the am. Further comments.

628 Rodey - support ^{am} if you strike 1st come-serve moved am ^{to} am to strike 1st come-serve.

Bethis. no obj to am.am.

650 ~~motion~~ no obj - unan consent am #31 am passed.

655 Vassar question on am.am. L.6 after "available" ^{insert} am.

683 Malone read am

697 am #27 by Malone re: audits

Malone explained purpose of am. main part is to provide annual post-audits of AHFC & AIDA by Legis. Audit - also annual performance evaluation. Reason for am is to get an independent review w/data to get data on ~~to~~ econ. impact of programs.

80-6 side 2

80-7 side 1

Page: 13

6/1/80

Subject: 2nd FCC SB1

Description

- 186 Wohlforth - no problem w/ post audit + oper. rept.
but AHFC is audited every 6 months ~~is~~ for bond
sales. already.
- 772 Malone - response -
Rodey strike "annual post audit + " - ?
- 786 Malone no. prefer adding new §(8).
~~is not delete~~
- 800 Rodey - allowing Leg. Audit to use audit team outside
auditors.
- 806 Malone - lang. relating to perform eval. be made
a regular report.
- 814 Vassar - single subject rule
- 831 Malone -
- 837 Rodey - chair has no obj.
- 847 Malone - req. re: annual post audit not be
mandatory. require performance eval. be
done.
- 855 Vassar - citation
Malone will draft concept + ~~get~~ bring lang to FCC.
- Tape Change
- 86-7 # Side 1
- 01 Graduated Payment mortgages }
10 miners' Revolving Loan } concepts agreed on
34 AIDA Lapsing Language }

eral Subject: 2nd FCCSB 1

#	Description
30	DISC. on am approved.
103	Am. #29 - Graduated mortgages - Vassar lang. Malone - wld. like to defer. until he can come up with lang. change
126	Am. - Regional Alloc. Parr/Malone Taken care of
142	Lending Review - Rodey defer
149	CFAB am - Fishing Loan am #11 - Malone - will be available soon
171	~~CFAB am~~ - #13 Board membership - Rodey: Resolved.
255	~~CFAB am~~ - Vassar - am. P13 L. 26 provides confirmation
275	Malone - not intent to have designated Comm confirmed as members of board.
2014	Vassar - rec. on P13. L26 delete + insert "other than a member described in (a)(i) of this section."
310	Malone - CFAB am (item 4) hand-out w/explanation. makes clear state + corp = state can provide more than just capitalization for bank; provides increased borrowing power. Doesn't raise fln on legis.
325	Rodey - share repurchase? Malone explained

eral Subject: 2nd. FCCSB1

#	Description
468	Malone explained am (CFAB)
478	Rodey am takes initial capit. & provides on-going source.
482	Malone - least amount of state funds / better off bank will be. am offered because of current need in fisheries area. would allow more money to be made available through bank.
474	Rodey - hold am.
483	Malone - asked Vassar to look into single subj. question.
491	Rodey - Tillion am's.
	Am #33 Sea - fab am.
	Rodey am #30 narrative explanation
558	Malone - ⁱⁿ progr Div Hong assist - non-conform loans would provide regional loan offices - to get info. ~~as to~~ avail. - loan info officers. St. lending in the legis. is secondary financing. Need for loan off. not as great as orig. thought. expl. further.
	Hinton - on am. #30 - we do something like this in our rural housing program. This would be somewhat cumbersome.
	Vassar - drafting time for these ideas - about 1/2 hr
680	Malone - instructions to Vassar.
693	Rodey - Break until 7:30 pm
	Recess - 5:10 pm.

Subject:

SND FCC - SB 1

Description

693 Called to order: 7:35 pm

Tillion: Am # 34[Ⓢ] moved & asked consentExplained tightens up emerg fishing loans as passed by the H, removes whole ^{re} financing section - Briefed w/ Gardiner

728 Colletta: What provisions / what is value of permit?

Tillion: No fixed value - willing seller, willing buyer

Disc collateral (75%) + default

Malone: Don't loan full value of permit

Colletta: Example of permit value allowed as collateral

780 Tillion: Further disc on permit value - not fixed - vary permit to permit

796 Rodey: Vote; no obj; adopted[Ⓢ]

802 Rodey: Am # 35 (p 29, 1-19-26) Tillion am

Tillion: Move w/ consent - Explained discharges that are not listed as under honorable circumstances. Would not prevent anyone who did not have serious "black mark"

838 Rodey: No obj; adopted

Tillion: Vasser to include this lang where approve thru bill

845 Rodey: Work draft copy Mining loan Fund

~~Malone~~ Bettisworth: So move Malone: Disc "^{Tillion prefer} economic" feasibility (p 2, 1-7)

Tape change FCC # 7, Side 2

001 Bettisworth: p 2(e) line 8 "shall" rather than "may"

General Subject: 2nd FCC - SB 1

#	Description
038	Tillion: Obj "may" makes more sense
	Malone: Am #6 moved - No obj - <u>Adopted</u>
070	Daogan: Re: Am #10 ^(2nd sec) AIDA lapse lang (p41, line 15). replaces #20 (#10 & #20 tied closely together) (confusion)
177	Wohlforth: Yes, he is in agreement w/Jim Rode/redrafted lang Rodey: Am #20 moved; no obj; adopted
203	Malone: Am #10? adopted?
	Wohlforth: That also was redrafted. (Rhode make more copies)
256	Malone: Rodey: move Am #10; no obj; <u>Adopted</u>
28	Tillion: Move Am #36 - Vet Housing re: trans to ^{same int rate} another vet higher rate or non-vet (specifies) - No obj - <u>Adopted</u>
348	Tillion: Am #21 - Malone moved: also additional lang Rodey: Hold temporarily
440	Rodey: Am #27 is being drafted re: Audits + Oper'l Evaluations Malone: Drafted by counsel
471	Rodey: Am #29 GPM lang (being drafted)
500	Rodey: Moved Am #27 th Malone: Explanation (Does not have to be) Legis Bud + Aud
530	Gallagher: This allows for outside auditor
	Wohlforth - Malone: Disc Subsec 9 lang AS 24 20 2018
576	Vasser: Explanation of statute re: independent audit Rodey: Am #27 <u>adopted</u> ; no obj
5	Rodey: Am #21(b) Tillion moved also #21 (grants foreclosure for alienation of land - so you can evict - use as collateral Malone: Waivers of immunity / Tillion: Restricted foreclosure (BIA)

General Subject:

2nd FCC - SB 1

#	Description
645	Malone: Purchasing homeloans; applicant get waiver. Questioned Tillion: Waiver has to be ordered by the local agent. This is all that's necessary before sale to buyer
700	Malone: Need more info re: problems w/securing land where these waivers show up - Disc
722	Litton: Gave example of incident in Barrow; have been unable to collect on several of these loans for past 6 yrs. Tillion: This could become St grant without this section Malone: Am this sec p 60; will write lang re: directors require Div to make analysis of title problem
776	Rodey: Does not affect Am #21 Malone: However Am #21 may become ineffective, withdraw ^{obj to} am to am
800	Rodey: No further obj, Am #21 adopted
819	Malone: ^(CFAB) SeaFAB am (may require added lang)
837	Vasser: Stmt - this is separate subj under bill title } ^(single subj) problems
	Rodey: Malone withdraw CFAB am
858	Malone: GPM concept accepted; lang forthcoming Am #32 - Lending Review (annual)
	Tape change FCC #8, Side 1
001	Malone: St financing re: Vasser's single subj problems
068	Vasser: If struct that lang + limited to St Fin Inst
	Wohlforth: Receiving loans from the St - All St Agencies or
131	Malone: Am #32 moved Colletta + Tillion: Obj Rodey: Rt to privacy perhaps greatest obstacle to adoption of Am #32

eral Subject:

2nd FCC - SB 1

- | # | Description |
|-----|--|
| 167 | Malone: Disc Rt to privacy Tillion: Feels this is separate issue
Malone: Moved <u>Am #32</u> <u>withdrawn</u> |
| 220 | Rodney: Am #
Malone: Copies of proposed FN |
| 288 | Recess 8:50 pm
Colletta, Rodney Tillion
CLO TO ORDER 9:10 Freeman; Pettisworth, Malone |
| 299 | MALONE: AM. #30 NOT formal, legal drafting style. But
we shouldn't delay longer. These programs provide
secondary financing. To make info avail to people
outside major pop. centers so they know what to do
to participate in the programs. As an alternative
to establishing regional loan offices: You have
a fiscal note here for about \$600.0. A
reasonably adeq. progr. could be done for about
half of that the 1st f.y. funds from
non-conf. loan fund |
| 391 | Tillion - I don't think we can.... Do you want
to move it in 100.0 increments until you
get 4 votes?
Malone: - if am #30 ^{is adopted} I would come back with
a reduced effort (didn't know what reduction
in cost would be.
Colletta - what about just a couple of ^{traveling} loan info
Specialists ~~not~~ rather than 10?
I can't imagine that much long term activity. |

General Subject: 2nd FCC SB 1

- | # | Description |
|-----|--|
| 497 | Malone - To start, 10 is a lot, but - a lot of people in A.K. can envision the need. And there will be a reduced fiscal note. |
| | Tillion - C & RA is knowledgeable enough. We don't even know how the program is going to work. Let's see how it goes first. |
| | Malone - If program works - some areas may not have as many branch banks, etc. - we don't want them to be behind. |
| | Tillion - w/ this am. goes, the Dept C & RA would hire only by approp. by legis.? It would merely take a line-item in the budget and wouldn't even be needed here. |
| | Malone - But I want specific language in the authorization. Outlines how the program is supposed to operate. A line-item wouldn't do that. |
| | Colletta - As an on-going informational activity? |
| | Malone - Yes, I do. Safes and conditions will change w/time. |
| | Tillion - How many votes do we have? Colletta? |
| | Colletta - I'd like to limit this drastically. Think they should be traveling. |
| | Malone - under item 3 - traveling. We aren't talking about establishing offices all over the state. |

Subject:

2ND FCC SB 1

Description

653 Rodey - I have no problem w/ the concept, but the
Fix^{90%} is far too high

Malone - Went through purposes of progr again. There
will be time before its formulated. I would
endeavor to come back w/ a restructured
fiscal note (poss. 2/3 of this one)

Colletta - I could go for it w/o the "for"

These offices will become permanent fixtures
and they'll ~~take~~ mess it up. Why spend a
million \$ a year to figure out how to get
the loan \$ out?

Freeman - Read off list of stuff. Where did the
\$400.0 figure for loan admin program come
from?

736 Malone - a rough estimate. The Dept came up
with \$500.0.

Freeman - If we pay 205 as is they should only
need about \$200.0. Right?

Malone - may very well be. We will have a
revised fiscal note. But this is to provid info
on all loans - public & private. Lack of
info, title problems, etc are barriers in rural

Tillion - ^{MVD} am to am - strike "4" at bottom.

top line and
not more than 400.0 be added to 205.

eral Subject: 2nd Fee SB 1

#	Description
94	Linton - Mar. 31 portfolio 30% for total of \$1,---,---
	Malone - ~~See~~ Excluding...
	Language from Sen. Colletta that would.... idea is for appli.. forms avail in St Offices wherever they are located. We have taken up regional allocation question.... existing State Offices could be used for this progr. I think they could but not w/ mixing of Staff.
	Colletta - Yes, concept OK, but
	Tillion - w/p ~~the~~ his am. to am.
	Malone - I have no obj to approp. by legis.
	But if you lose these guys in Arch, Hwy and Finance, that would <u>really</u> be a waste of \$.
	Colletta - asked Linton
	Linton - Mom, Bethel, S.E., S.C., Dillingham
	Tillion - Too expensive.
	Malone - \$ 300 mil. cash flow + sev. mil. assets from G.F. Access to these progr outside populated areas of State. So I think we should provide people w/ the opportunity. from ab. \$500. mil. His side is committed. Not just for non-conforming loans. Its a relatively small commitment. Not talking about setting up Offices -

eral Subject: 2ND FCC EBI

Description

Till - just pick a figure. then revise the language.

Linton - ^{excluding} ~~Arch~~ ^{Arch} ~~fbk~~ ^{fbk} ~~business~~ ^{business} ~~inside~~ ^{etc.} have about 8% loan \$ (abt. 43 mil.) going into rural areas.

Rodey - would 100.0 be enuf 1st yr?

Malone - funding not exceed 1/2 mil \$ total for non-conf and reg. off. loan prog.

Rodey - ~~E~~ ~~and~~ ~~un~~ cons.

(no obj)

Malone - incorp in FAI for non-conf w total FAI not to exceed \$500.0

Rodey - Changes in investment status - p. 41 graduated payment language and another am.

Rodey - Bill under atfc. - prov. for constr. loans. only one given so far. Delete language?

Pettisworth - Builders concerned. Its in bill but not funded. We can not fund it.

Rodey - just wanted to bring it to your attention.

292 Pettisworth - Am # 1 has not been dispensed with. Transition loans. stated problems. unnead 2+ mil. to 10+ mil. Interest changed to 10% (4 mil more. from state than 9.5) about 1000 fam.

General Subject:

JND. FCC SB 1

Description

Bettis moved

fig p. 24 \$24 mil change to \$104 mil.

Tillion - if we fund at \$300 mil there will be adequate funds to cover loans. I would prefer to leave it this way.

Malone - @ about \$4 mil.

@ on yield on mortgages (increase cost of SAM prog)

Gallagher - \$4 fig diff btwn int rate in SB7 and the old program.

4 Malone - ~~included~~ ^{fully} or only ... HB 205?

Rodney - language - we pick up the \$4 in over subscription. so a \$4.3 mil prob.

Malone -

Tillion - Will have to increase by about 10%

Gallagher - \$111 to do SAM, mortgages

449 Malone - \$100 mil GF for mort. purch HB 205

that amt incr 4-5 mil to pick up those mortg. Then the effect over 9.5%.

Bettisworth - I was told cash or mortgages wouldn't make a diff. It's a difference in cost - that's the prob.

Malone - at 10% or whatever we need to incr the cash flow - about 4-5 mil. At 10% incr approp in securities non-cash. So it won't incr overall cost.

General Subject: 2 - SB 1

#	Description
508	Gallagher - his figures again. (205 - mortgages so \$110. ————— 7 106 cash 10 min. Recess 10 pm.
525	called to order - 10:45 Am. Bk. Bettisworth - at 10% Via Rodey, Freeman, Bettis Amy Till, Malone CDK MTN fld Bettisworth - categories of people w/ loan prob. MVD categories be changed this bill fund those who have no homes to live in Tillman - Obj. Rodey - might be poss under existing conditions Bettisworth - If that is the case, I <u>w/d motion</u> Those living out of suitcases are in 2 nd categ Tillman - But that was <u>their</u> decision. I think we should fairly fund the applicants, and then take care of those who sold their homes "on the come". Rodey - Will have to deal with them on a case by case basis.

Tape 8
Side 2

Page: 6-1-80
26

Subject:

2nd FCC SB1

Description

Vassar - 10.5 9.5 8.5 int. changed in AHFC
but not in non-conf. fund

Tillion - It should be

freeman - MVD asked UN: consent the above.

634 Malone - "not to exceed 10%

Rodney - (no obj) motion passes

Vassar - int rate language - superfluous.

p. 2 of certified amendments
in no case less than 5%

Tillion - MVD to delete lang. ⁱⁿ certif am.
on p. 2 (beg w/ f" thru p. 3)

Vassar - # 3 deleted p. 2 sub sec f # 3

Tillion - Ok.

708

613

Malone - mandatory language - suggest that

① make language be option for corp.

② delete entirely.

not sure it is mandatory. Tillion says it isn't.

I don't obj.

Rodney - UN Cons. (no obj) am. adopted.

Now graduated payment language.

728

613

am. # 37 - ~~passed~~ by Malone

79

Tillion - MVD & VC

Malone. Obj - shld add language "include
AHFC & AIDA."

Tape 8
Side 2

Start
Tape 9
side 1

Page: 6-1-80
27

eral Subject:

MVD FCC SBI

- | # | Description |
|-----|---|
| 806 | Wolforth - Ak. Hs Fin Corp. is a state agency
resp. to Rodey's Q. |
| | Malone - w/o his obj. |
| | Rodey - (No obj) am 37 adopted |
| 823 | Rodey - am #29 |
| | Malone - MVD am 29 th drafted by legis Council. |
| 839 | pg. ref should be p. 26 line 1 for 1 st pt.
I MV Ask UC |
| | Rodey - (No obj) am 29 adopted |
| | Tillion - asked Vassar if there were more am. |
| | Vassar - no |
| | Malone - in unengrossed am. I MV following
Tape 9 side 1 |
| 13 | Malone - MVD to delete lang. from bill
appears as am #7. in certified am.
p. 20 line 21
This deals w/ home ownership fund estate
in the corp. The money in that progr.
would go into effect until legis approp.
This way it would go into effect before
next session |
| | Rodey - UC - (No obj) am 7 deleted |

tape 9
side 1

Page: 6-1-80
28

Subject:

gvp fec - SB 1

Description

- 40 Malone
am 11 - p.3 - certified am
new info - 2nd line. only \$28.0
line 2 p3 only large. should be \$28.0
delete all rest
- Tillion - obj. I'd like to delete all of
am 11 dealing w/ personal income.
- Freeman - any motion to delete is only to delete
what is in the bill.
- Rodey - True
- Tillion - Will have trouble w/ previous senate
free conferees w/ this.
- 400 Malone - I'd like to leave the option in the
bill. It doesn't require the corp. to do
anything.
- Tillion -
- Malone - asked VC to w/D amendment.
(no obj.)
- Tillion - Its hardly low income at \$36.5
- Rodey - I have no more am
- Tillion, Colletta, Bellusworth have none.
- Vassar - drafting error to be corrected
- Malone - Have 2 more.
am #38 - financial instit by malone
- ~~2000 1000 1000 1000 1000 1000 1000 1000 1000 1000~~

Subject: 2ND FCC SB1

Description

278 Wagnon - comment on am. Would like to see this in AIAA Bill.

Till - asked U.C.

Malone - MVD am. 38 (top 1/2 is intended to be crossed out.)

3% - 60 days

(or) 2% - 90 days ← this one is am.

Rodey - asked Linton what impact it would have on loans.

Linton - very little. Our 90 day delinq are running at less than 1/2 of 1%. Its reasonable Com. Wms - 6 of one, 1/2 doz. of other.

Rodey - (no obj) am 38 adptd.

370 Freeman - MVD UC am. 39 - energy audits

Rodey - (no obj) am 39 adptd

Tillion **! **MVD** to send bill to final drafting.
5 min. Recess 11:30

396 Called to order. 11:38

Tillion MVD to delete am 11

Freeman - UC

Rodey no obj, am 11 deleted

Tillion - MVD to send bill to drafting

419 Malone - Title problems

eral Subject:

2 NO FCC - SBI

#	Description
429	Malone - prop am. simplif to site sec 44 40 420 of this....
	Tillion - no obj.
	Malone - com willing to consider am in verbal form.
	Rodey - proper in this comm.
	Malone - incorporate p. 60 new sec 67 to read:
	① Dir 1 "the report we could release on Jan 20 '81 will contain only the essence of the accord." ②
	Tillion - UC
	Rodey - <u>no obj</u> am # 340 adptd.
	Malone - p. 55 non-conf. line 3 put in statutory regmt to raise that limit to what AHFC uses now - \$140,625.00
	Tillion lets leave it alone
	freeman - I see no justif for treating it diff. than anything else.
	Wolforth -
	Malone - that would replace all of sec. 1 hinton "which exceeds <u>value rates</u> ."

tape 9
side 1

Page: 6-1-80
30

eral Subject: 2nd FCC - SB 1

Description

Malone - exceeds ^{the limitation} Fed / S S 9 C
prin /

Tillion - UC Rodey (no obj) 41 adptd

Malone - p 25 after Sec. 27 to read

same as operating lang if delete
1st 4 words

Walforth - another conf. error "as the
principal amount"

Till - UC
Rodey - (no obj) am 42 adptd

Instruct Vassar to use HB with all

am. adptd by this committee and draft

Vassar - Tomorrow afternoon.

Malone - concern about fixed rate for AHSC
mortgages.

Rodey - Next Legis will be very receptive to
dealing w/ that question.

final approval of bill tomorrow aft.

Malone - no am. of substance from now on

Rodey - yes - tech am.

Adj 11:55