



LAWS OF ALASKA

1967

Source

FSS-SB 5

Chapter No.

5

AN ACT

Relating to disaster relief for persons who have received state veterans loans; and providing for an effective date.

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

* Section 1. A person who has received a veteran's farm, home or business loan from the Department of Commerce and whose property, if it secures the loan, was damaged by the natural disaster of August 14, 1967, may apply to the department for relief under sec. 2 of this Act. A person who has received a veteran's farm, home or business loan from the department and whose property, if it secures the loan, was destroyed or irreparably damaged by the natural disaster at Fairbanks on August 14, 1967, may apply to the department for relief under sec. 3 of this Act.

* Sec. 2. If the department determines that the property which secures the loan was damaged to the extent that the cost of the reconstruction, repair or replacement of the property will exceed 20 per cent of the market value of the property before the natural disaster, the department shall

(1) if the department holds the loan instrument, suspend those payments of principal and forgive those payments of interest on the loan which have or will become due between September 1, 1967, and September 1, 1968;

(2) if the department is the guarantor of the loan, pay to the lender, in favor of the borrower, all payments of principal and interest on the loan which have or will become due between September 1, 1967 and September 1, 1968; or

(3) if the department assigned the loan before August 14, 1967, pay to the holder of the loan instrument, in favor of the borrower, all payments of principal and interest on the loan which have or will become due between September 1, 1967, and September 1, 1968.

Chapter 5

* Sec. 3. The department shall release a borrower from all personal liability on his indebtedness on a farm, home or business loan held by the department if

- (1) the borrower pays the department \$1,000; and
- (2) the property securing the loan was destroyed or irreparably damaged; and
- (3) the borrower surrenders title to the property to the department.

* Sec. 4. The amount of money equal to those principal payments suspended or paid by the department under sec. 2 of this Act is a personal obligation of the borrower to the department. The department may not require repayment of this obligation until the farm, home or business loan of the borrower is repaid. The obligation may be repaid in 12 equal monthly installments and no interest may be charged on the obligation.

* Sec. 5. The department shall investigate the property specified in an application to verify that the actual damage to the property is sufficient to qualify an applicant for relief.

* Sec. 6. To be eligible for relief under this Act, an applicant must apply to the department not later than December 31, 1967.

* Sec. 7. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.