



# LAWS OF ALASKA

1973

Source

FCCS HCSSB 37

Chapter No.

84

## AN ACT

Relating to interest rates charged in the state; and providing for an effective date.

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

\* Section 1. AS 45.45.010(b) is repealed and re-enacted to read:

(b) No interest may be charged by express agreement of the parties in a contract or loan commitment which is more than eight per cent a year, except that the eight per cent a year rate may be exceeded under the following circumstances:

(1) in a contract or loan commitment not involving real estate or in a contract or loan commitment covering a one- to four-family dwelling, dated after the effective date of this Act and before April 15, 1975, the interest rate may not exceed four percentage points above the annual rate charged member banks for advances by the 12th Federal Reserve District that prevailed on the first day of the month preceding the commencement of the calendar quarter during which the contract or loan commitment is made;

(2) in a contract or loan commitment involving real estate or secured by a real estate mortgage or trust deed, not covered in (1) of this subsection, and dated after the effective date of this Act and before April 15, 1975, the interest rate may not exceed four and one-half percentage points above the annual rate charged member banks for advances by the 12th Federal Reserve District that prevailed on the first day of the month preceding the commencement of the calendar quarter during which the contract or loan commitment is made.

\* Sec. 2. AS 45.45.010 is amended by adding new subsections to read:

(d) Notice of the annual rate charged member banks for advances by the 12th Federal Reserve District prevailing on the first day of the month preceding the commencement of each calendar quarter required for the maximum interest rate computation under (b) of this section shall be provided by the Department of Commerce.

(e) Interest at a rate not to exceed eight per cent may be charged by express agreement of the parties in a contract or loan commitment dated after April 14, 1975.

(f) No bank, savings and loan institution, pension fund, insurance company or mortgage company may require or accept any per cent of ownership or profits above its interest rate.

(g) Loan contracts and commitments covering one- to four-family dwellings entered into under (b) of this section may be prepaid without penalty, except federally insured loans that require a prepayment penalty.

(h) If the limitations on interest rates provided for in this section are inconsistent with the provisions of any other statute covering maximum interest, service charges or discount rates then the provisions of the other statute prevail.

\* Sec. 3. AS 45.45.010(c) is repealed.

\* Sec. 4. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.