



# LAWS OF ALASKA

1981

**Source**

CSHB 507(Res) am

**Chapter No.**

111

**AN ACT**

Relating to the fishermen's mortgage and note program under AS 16.10.650 - 16.10.720; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: July 26, 1981  
Actual Effective Date: July 27, 1981

AN ACT

Relating to the fishermen's mortgage and note program under AS 16.10.650 - 16.10.720; and providing for an effective date.

\* Section 1. AS 16.10.660(a) is amended by adding a new paragraph to read:

(7) develop procedures for precommitting to the purchase of notes and mortgages securing loans under (b) of this section.

\* Sec. 2. AS 16.10.680(a)(2) is amended to read:

(2) does not qualify for a loan for the purposes described in AS 16.10.670 under a state [OR FEDERAL] loan program;

\* Sec. 3. AS 16.10.680(a)(3) is amended to read:

(3) has not previously participated in the loan program established in AS 16.10.650 - 16.10.720 or in any other state [OR FEDERAL] loan program for the purposes described in AS 16.10.670; and

\* Sec. 4. AS 16.10.680(a)(4) is amended to read:

(4) meets the guidelines established by the commissioner to determine whether the applicant [DEMONSTRATES TO THE SATISFACTION OF THE PRIVATE FINANCIAL INSTITUTION WHICH MADE THE LOAN THAT HE] is reasonably likely to succeed as a commercial fisherman and [TO] be able to repay the loan.

\* Sec. 5. AS 16.10.680(b) is amended to read:

(b) In addition to the requirements of (a)(1) - (4) of this section, the commissioner may purchase a mortgage or note under AS 16.10.-

Chapter 111

1 660(b) only if it secures a loan to an individual who demonstrates  
2 under guidelines established by the commissioner [DEMONSTRATED TO THE  
3 SATISFACTION OF THE PRIVATE FINANCIAL INSTITUTION WHICH MADE THE LOAN]  
4 that

5 (1) because of his lack of training or the lack of employ-  
6 ment opportunities in the area in which he resides, he does not have  
7 occupational opportunities available to him other than commercial  
8 fishing; or

9 (2) he is economically dependent on commercial fishing for a  
10 livelihood and commercial fishing has been [IS] a [CULTURAL AND]  
11 traditional way of life for him in Alaska.

12 \* Sec. 6. AS 16.10.690(a)(1) is amended to read:

13 (1) exceeds \$100,000 [\$200,000];

14 \* Sec. 7. AS 16.10.690(b) is amended to read:

15 (b) The commissioner may not purchase a mortgage or note under  
16 AS 16.10.660(b) if it secures a loan which results in an outstanding  
17 debt of the borrower in excess of \$100,000 [\$200,000]. For purposes of  
18 this subsection a loan to an associate of the borrower is considered to  
19 be a loan to the borrower. For the purposes of this subsection, "asso-  
20 ciate of the borrower" means

21 (1) a corporation or other organization of which the bor-  
22 rower is an officer, director or partner, or is, directly or indirectly,  
23 the beneficial owner of 10 percent or more of any class of equity  
24 securities;

25 (2) a person who is, directly or indirectly, the beneficial  
26 owner of 10 percent or more of any class of equity securities of the  
27 borrower;

28 (3) a trust or other estate in which the borrower has a  
29 substantial beneficial interest or as to which the borrower serves as

Chapter 111

trustee or in a similar fiduciary capacity.

\* Sec. 8. AS 16.10.710 is repealed and reenacted to read:

Sec. 16.10.710. PREQUALIFICATION FOR LOANS. The commissioner may not purchase mortgages and notes under AS 16.10.660(b) unless the private financial institution agrees to make preliminary determinations of applicant eligibility for loans under AS 16.10.650 - 16.10.720. The commissioner shall develop, in cooperation with private financial institutions, guidelines and procedures for making preliminary determinations of eligibility.

\* Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-

070(c).