



# LAWS OF ALASKA

2002

**Source**

HCS CSSB 181(FIN)

**Chapter No.**

129

**AN ACT**

Relating to and increasing the interest rate on that portion of a loan for a single family house or owner-occupied duplex in a small community that exceeds \$250,000; relating to the Alaska Housing Finance Corporation's rural assistance loan program and to loans for teacher housing in small communities.

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

THE ACT FOLLOWS ON PAGE 1

**Approved by the Governor:** July 5, 2002  
**Actual Effective Date:** October 3, 2002

AN ACT

1 Relating to and increasing the interest rate on that portion of a loan for a single family house  
2 or owner-occupied duplex in a small community that exceeds \$250,000; relating to the Alaska  
3 Housing Finance Corporation's rural assistance loan program and to loans for teacher housing  
4 in small communities.

5

6 \* **Section 1.** AS 18.56.420(a) is amended to read:

7 (a) There is created in the corporation, as a revolving loan fund, the housing  
8 assistance loan fund consisting of money appropriated to it by the legislature and  
9 deposited in it by the corporation, and repayments of principal and interest on loans  
10 made or purchased from the assets of the fund. The corporation shall

11 (1) adopt regulations to administer the housing assistance loan fund  
12 under AS 18.56.400 - 18.56.600; and

13 (2) subject to appropriation, provide money for a rural assistance loan  
14 program to originate, purchase, [OR] participate in the purchase of, or refinance

Chapter 129

- 1 (A) small community housing mortgage loans;
- 2 (B) loans made for building materials for small community
- 3 housing;
- 4 (C) loans made for renovations or improvements to small
- 5 community housing;
- 6 (D) loans made for the construction of owner-occupied small
- 7 community housing other than loans to builders or contractors or loans that
- 8 compensate an owner for the owner's labor or services in constructing the
- 9 owner's own housing.

10 \* Sec. 2. 18.56.470(a) is amended to read:

11 (a) The interest rate on a mortgage loan originated or purchased in whole or in  
12 part under AS 18.56.420 for small community housing **or teacher housing under**  
13 **AS 18.56.580** is one percent less than the interest rate, as determined under  
14 AS 18.56.098(f)(1) - (4), on a mortgage loan purchased under AS 18.56.098(a) from  
15 the proceeds of the most recent applicable issue of taxable bonds before the  
16 origination or purchase of the mortgage loan originated or purchased under  
17 AS 18.56.420. **However, other than a loan for teacher housing under**  
18 **AS 18.56.580, the interest rate on that portion of a loan for a single-family house**  
19 **or owner-occupied duplex that exceeds \$250,000 is the same as the interest rate**  
20 **determined under AS 18.56.098(f)(1) - (14).**

21 \* Sec. 3. AS 18.56.580 is amended to read:

22 **Sec. 18.56.580. Loans for teacher [NONOWNER OCCUPIED] housing.**  
23 (a) In addition to the powers authorized by AS 18.56.400, the corporation **shall**  
24 **[MAY]** adopt regulations under AS 18.56.088 allowing the use of money in the  
25 housing assistance loan fund to make loans for the purchase or development of  
26 **teacher** [NONOWNER OCCUPIED] housing in small communities. **The**  
27 **regulations must implement the requirements of (b) of this section and establish**  
28 **other terms and conditions for teacher housing loans, including those relating to**  
29 **borrower eligibility and the number of loans that may be made to a single**  
30 **borrower. The corporation may require the borrower to pay costs associated**  
31 **with a loan.**

1           (b) A loan may be made under this section only for teacher housing in  
2 which each unit that is not vacant is occupied by at least one individual who is  
3 employed as a certificated teacher or education professional in a public  
4 elementary or secondary school in a small community. Notwithstanding  
5 AS 18.56.470(a), if, before the loan is entirely repaid, the occupancy requirement  
6 of this subsection is not complied with, the interest rate on the remaining balance  
7 of the loan amount becomes the same as the interest rate determined under  
8 AS 18.56.098(f)(1) - (4) on a mortgage loan purchased under AS 18.56.098(a)  
9 from the proceeds of the most recent applicable issue of taxable bonds before the  
10 loan under this section was made [THE RATE OF INTEREST ON A LOAN  
11 AUTHORIZED BY THIS SECTION MAY NOT EXCEED 10-1/2 PERCENT A  
12 YEAR].

13           (c) The principal amount of loans made for teacher [NONOWNER  
14 OCCUPIED] housing under this section may not exceed 20 percent of the total  
15 principal amount of loans made for small community housing under AS 18.56.400 -  
16 18.56.600.

17           (d) In this section,

18           (1) "development" means the construction of a new residence or the  
19 acquisition, repair, remodeling, rehabilitation, or expansion of an existing residence;

20           (2) "teacher [NONOWNER OCCUPIED] housing" means [A  
21 SINGLE-FAMILY RESIDENCE OR] a multi-family residence [HAVING UP TO  
22 EIGHT DWELLING UNITS AND] that may be nonowner occupied or [IS NOT]  
23 occupied by the owner [; THE CORPORATION MAY MODIFY THIS DEFINITION  
24 IF IT DETERMINES THAT THERE IS A SPECIAL NEED FOR NONOWNER  
25 OCCUPIED HOUSING AND THAT A CHANGE IN THE DEFINITION IS  
26 NECESSARY TO ENABLE THE CORPORATION TO MEET THAT NEED].