

3 AAC 99.906 is amended to read:

3 AAC 99.906. Curtailment of Originator or Financial Institution Eligibility. (a) The authority will discontinue purchasing loans from an originator or [AND/OR] guaranteeing loans from a financial institution (1) when that originator's or financial institution's 90-day delinquency rate on all AS 44 loans, by dollar value, exceeds 5.0 [THE GREATER OF TWO] percent [OR THE WEIGHTED AVERAGE DELINQUENCY RATE OF ALL CURRENT QUALIFIED ORIGINATORS' PORTFOLIOS], or (2) as provided in the loan participation and servicing agreement between the originator and the authority or in the loan guarantee agreement between the financial institution and the authority.

(b) The authority will reduce the maximum percentage of a loan the authority will purchase from an originator or guarantee from a financial institution when that originator's or financial institution's 90-day delinquency rate on all AS 44 loans, by dollar value, exceeds 2.0 percent but is not greater than 5.0 percent.

(1) When the originator's or financial institution's delinquency rate exceeds 2.0 percent but is not greater than 3.5 percent:

(A) the originator shall initially retain at least a 25 percent share of the loan under 3 AAC 99.250(a) or 3 AAC 99.350(a), and

(B) the authority may guarantee only up to 75 percent of any qualifying loan under 3 AAC 99.760(h).

(2) When the originator's or financial institution's delinquency rate exceeds 3.5 percent but is not greater than 5.0 percent:

(A) the originator shall initially retain at least a 35 percent share of the loan under 3 AAC 99.250(a) or 3 AAC 99.350(a), and

(B) the authority may guarantee only up to 65 percent of any qualifying loan under 3 AAC 99.760(h). (Eff. 11/30/90, Register 118; am

___/___/___, Register _____)

Authority: AS 44.88.085, AS 44.88.165