

NOTICE OF PROPOSED CHANGES IN THE
REGULATIONS OF THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

The Alaska Industrial Development and Export Authority proposes to adopt regulation changes in Title 3 of the Alaska Administrative Code, dealing with the Authority's General Provisions, including the following:

- (1) 3AAC 99.906 CURTAILMENT OF ORIGINATOR ELGIBILITY is proposed to be changed as follows:

Procedures under which the authority will discontinue purchasing a loan participation or issuing a loan guarantee will be amended to allow for the exclusion from the calculation of the originator's or the financial institution's delinquency rate, loans in bankruptcy, or loans subject to foreclosure action or a written forbearance agreement.

You may comment on the proposed regulation changes by submitting written comments to Chris Anderson, Deputy Director-Credit, Alaska Industrial Development and Export Authority at 813 West Northern Lights Boulevard, Anchorage, Alaska, 99503. The comments must be received no later than 4:30 p.m., March 9, 2010.

Oral or written comments also may be submitted at a hearing to be held on March 3, 2010, at 10 a.m. in the boardroom of the authority at 813 West Northern Lights Boulevard, Anchorage, Alaska.

If you are a person with a disability who needs special accommodations in order to participate in this process, please contact Sherrie M. Siverson at (907) 771-3009 no later than March 10, 2010, to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulation changes, contact Alaska Industrial Development and Export Authority at 813 West Northern Lights Boulevard, Anchorage, Alaska 99503 or by phone at (907) 771-3000, or go to www.aidea.org.

After the public comment period ends, the Alaska Industrial Development and Export Authority will either adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTEREST COULD BE AFFECTED.**

Statutory Authority: AS 44.88.085, AS 44.88.165

Statutes Being Implemented, Interpreted, or Made Specific: AS 44.88.165

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

/s/ Chris Anderson, Deputy Director-Credit

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3 AAC 99.906. Curtailment of originator or financial institution eligibility.

(a) The authority will discontinue purchasing loans or guaranteeing loans from an originator or [guaranteeing loans] from a financial institution [(1)] when all of the AS 44 loans from particular originator[s] or financial institution[s] have a 90-day delinquency rate [on all AS 44 loans,] by dollar value[,] which exceeds five percent, but that the calculation of this five percent can exclude, at the discretion of the Authority, delinquent loans from that particular originator or financial institution when the Authority has received written notification that such loans are in the process of being worked out or collected, by means acceptable to the Authority, which means can include, but are not limited to, the following: [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.]

(1) delinquent loans which are part of the estate in a filing in a U.S. Bankruptcy Court;

(2) delinquent loans for which the originator or financial institution has perfected and recorded a notice of foreclosure or default; or

(3) delinquent loans for which the originator or financial institution has entered into a written forbearance agreement with the borrower subject to the laws of the State of Alaska when: (a) the agreement has been reviewed by the authority; (b) the authority has determined that the terms of the agreement are acceptable to the authority under the terms of conditions of the loan documentation; (c) the authority has issued a written acceptance of the forbearance agreement to the originator or financial institution; and (d) any modifications to the loan documents have been fully executed by all the parties. In the event that the authority agrees to accept a forbearance agreement under the terms of this subsection, the originator or financial institution shall provide a report every thirty (30) days regarding the status of the forbearance agreement(s) and shall provide the authority with written notice of any breach of the forbearance agreement within ten (10) days of any default, non-performance, or breach of the forbearance agreement by any party or signatory.

[(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 five percent.

(1) When the originator's or financial institution's delinquency rate exceeds two percent but is not greater than three and one-half 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 three and one-half percent but is not greater than five 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).]