

Regulations

Reposessed Property

October 2025



DEPARTMENT OF COMMERCE,
COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

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CHAPTER 77 REPOSSESSED PROPERTY

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3 AAC 77.010. Acquiring repossessed property.

In connection with a default on a loan made by the department, it will, in its discretion, repossess property in any of the following ways:

- (1) judicial or nonjudicial foreclosure on real estate;
- (2) U.S. Marshal's foreclosure sale on documented vessels under Federal Maritime Law;
- (3) Uniform Commercial Code (UCC) foreclosure, which may include documented vessels, AK-registered vessels, vehicles, mobile homes, airplanes, inventory and equipment;
- (4) abandonment;
- (5) deed, bill of sale, or transfer instead of foreclosure;
- (6) repossession of title vehicle;
- (7) bankruptcy proceeding;
- (8) limited entry permit foreclosure; or
- (9) other manner consistent with federal and state law.

Authority:	AS 16.10.310(a)	AS 26.15.040	AS 45.87.060
	AS 16.10.335	AS 27.09.050	AS 45.88.020(a)
	AS 16.10.339	AS 44.33.020(1)	AS 45.88.150
	AS 16.10.510(4)	AS 44.33.245(a)	AS 45.98.030(3)
	AS 26.15.010	AS 45.81.120	AS 26.15.030
	AS 45.81.210		

3 AAC 77.020. Prior owner's right of redemption.

- (a) Sale of repossessed property acquired by the department is subject to any right of redemption allowed by law.
- (b) For the purposes of AS 16.10.337(b), sale of the permit occurs and the right of redemption ends when a contract is formed as described in 3 AAC 77.060(b).
- (c) If a contract formed under 3 AAC 77.060 is not fulfilled and no other contract is immediately formed, the prior owner will be notified that redemption will be allowed until another contract is formed.

Authority:	AS 16.10.310(a)	AS 26.15.085	AS 45.81.230
	AS 16.10.337	AS 27.09.050	AS 45.88.020(a)
	AS 16.10.339	AS 44.33.020(1)	AS 45.88.150
	AS 16.10.510(4)	AS 44.33.245(a)	AS 45.98.030(3)
	AS 26.15.010	AS 45.81.120	AS 26.15.030
	AS 45.81.200		

3 AAC 77.030. Disposal of repossessed property.

- (a) Unless otherwise prohibited, the department will dispose of all repossessed property by

- (1) public auction, including advertised foreclosure sale or U.S. Marshal's sale with or without a minimum bid requirement;
 - (2) advertised sales through solicitation of competitive offers;
 - (3) negotiated or private sales, if no acceptable offers are received after advertising under (1) or (2) of this subsection;
 - (4) destruction;
 - (5) lease;
 - (6) lease with an option to purchase;
 - (7) redemption;
 - (8) transfer to other state department or agency; or
 - (9) other manner determined by the department to be in the best interests of the state.
- (b) All disposals of repossessed property are made on an "as is, where is" basis, with no implied or expressed warranties of condition.

Authority:	AS 16.10.310(a)	AS 26.15.085	AS 45.87.040
	AS 16.10.335	AS 27.09.050	AS 45.87.060
	AS 16.10.337	AS 27.09.055	AS 45.88.020(a)
	AS 16.10.339	AS 44.33.020(1)	AS 45.88.050
	AS 16.10.355	AS 44.33.245(a)	AS 45.88.140
	AS 16.10.510(4)	AS 44.33.272	AS 45.88.150
	AS 16.10.555	AS 45.81.120	AS 45.98.030(3)
	AS 26.15.010	AS 45.81.190	AS 45.98.055
	AS 26.15.030	AS 45.81.210	AS 26.15.040
	AS 45.81.230		

3 AAC 77.040. Advertising.

- (a) Notice and advertising for judicial and nonjudicial foreclosure sales, U.S. Marshal foreclosure sales on documented vessels, and other public auction sales will be in accordance with all laws that govern the particular kind of sale.
- (b) The department will advertise a sale under 3 AAC 77.030(a)(2) by
 - (1) posting notice of the sale on the Alaska Online Public Notice System established under AS 44.62.175; and
 - (2) providing notice of the sale by at least one of the following means:
 - (A) publication in a newspaper or periodical of general circulation in the area where the repossessed property is located;
 - (B) radio announcement;
 - (C) written notice, delivered by one or more of the following methods:
 - (i) mail;
 - (ii) electronic mail;
 - (iii) facsimile transmission;
 - (D) written notices posted in public places where potentially interested parties will view;
 - (E) other appropriate media, including electronic media.
- (c) A printed or written advertisement of a sale under 3 AAC 77.030(a)(2) will, in the department's discretion, include
 - (1) a description of the item offered, including the city or town where the item is located;
 - (2) if real property, the legal description of the property or location address;
 - (3) terms of sale, including minimum acceptable offer, if any, and whether financing is available from the department;
 - (4) the last known value, and date of valuation;
 - (5) the deadline for submission of offers;
 - (6) the contact name and telephone number for additional information on the item and on available financing from the department, if any;
 - (7) the date when offers will be reviewed;
 - (8) a statement that no specific form of offer is required, but an offer must be made in writing and must include name, mailing address, phone number, signature, and any terms or conditions of the offer, including whether the offeree is seeking financing;

- (9) a statement that the department reserves the right to refuse any and all offers;
 - (10) a statement that all items are sold "AS IS, WHERE IS," with no implied or expressed warranty of condition whatsoever;
 - (11) a statement that offers are not binding unless accepted by the department's loan committee;
 - (12) a statement that if no acceptable offers are received, the department will, in its discretion, solicit additional offers without readvertising; and
 - (13) a statement that the sale is governed by 3 AAC 77.
- (d) Repealed 7/4/91.

Authority:	AS 16.10.310	AS 26.15.030	AS 45.81.120
	AS 16.10.337	AS 27.09.050	AS 45.81.220
	AS 16.10.339	AS 44.33.020	AS 45.88.020
	AS 16.10.510	AS 44.33.245	AS 45.88.150
	AS 26.15.010	AS 44.33.660	AS 45.98.030

3 AAC 77.050. Criteria for evaluating offers.

The loan committee will consider the following factors in making its decision on an offer regarding repossessed property:

- (1) the outstanding loan balance on the repossessed property;
- (2) the current assessed, appraised, surveyed, replacement, forced sale, or market value;
- (3) the present supply and demand for similar property;
- (4) the length of time the state has owned the property;
- (5) the length of time the property has been on the market;
- (6) the ongoing management costs of the property to the state;
- (7) any minimum acceptable offer set by the department;
- (8) whether the offer is for cash or requires departmental financing;
- (9) the credit history and financial condition of the person making the offer, if known;
- (10) other factors that the loan committee determines to be significant.

Authority:	AS 16.10.310(a)	AS 26.15.040	AS 45.81.210
	AS 16.10.339	AS 27.09.050	AS 45.87.060
	AS 16.10.510(4)	AS 44.33.020(1)	AS 45.88.020(a)
	AS 26.15.010	AS 44.33.245(a)	AS 45.88.150
	AS 26.15.030	AS 45.81.120	AS 45.98.030(3)

3 AAC 77.060. Notification of acceptance or rejection of an offer.

- (a) Within 15 days after the deadline for submission of offers regarding repossessed property, the loan committee will review all offers received.
- (b) The loan committee may reject all offers, accept an offer as presented, make a counter offer to the apparent best offer, or accept a counter offer. A contract is formed when acceptance of an offer or a counter offer is communicated to the other contracting party.
- (c) Within six working days after the date that a contract is formed or a decision is made to reject all offers notice will be mailed by first class mail to all offerors or their designated agent of the accepted offer, if any, the property sold, and any similar property still available, with the highest offer received but not accepted, if any. The decision to accept or reject an offer is subject to appeal under 3 AAC 77.080.
- (d) If all offers are rejected, new offers will continue to be considered and the department will, in its discretion, resolicit offers without readvertising. If a subsequent offer or counter offer is accepted and a contract is formed, notice will be mailed only to persons who submitted an offer after the original deadline for submission of offers and to persons who have appeals pending in regard to the same matter.

Authority:	AS 16.10.310	AS 26.15.085	AS 45.81.200
	AS 16.10.339	AS 27.09.050	AS 45.81.230
	AS 16.10.510(4)	AS 44.33.020(1)	AS 45.88.020(a)
	AS 26.15.010	AS 44.33.245(a)	AS 45.88.150
	AS 26.15.030	AS 45.81.120	AS 45.98.030(3)

3 AAC 77.070. Reimbursable fees and expenses.

The department will, in its discretion, reimburse or pay

- (1) a caretaker or custodian of repossessed property;
- (2) brokerage fees or expenses related to repossessed property;
- (3) an individual hired to perform services for or repairs to repossessed property; or
- (4) any other person incurring expenses authorized by the department related to repossessed property.

Authority:	AS 16.10.310(a)	AS 26.15.085	AS 45.81.200
	AS 16.10.339	AS 27.09.050	AS 45.81.230
	AS 16.10.510(4)	AS 44.33.020(1)	AS 45.88.020(a)
	AS 26.15.010	AS 44.33.245(a)	AS 45.88.150
	AS 26.15.030	AS 45.81.120	AS 45.98.030(3)

3 AAC 77.080. Appeals.

- (a) A person making an offer may appeal a loan committee decision made under 3 AAC 77.060.
- (b) All appeals must be made in writing and addressed to the department in Juneau, Alaska.
- (c) An appeal must include the date, the appellant's full name, address, telephone number, and signature, a description of the repossessed property involved, and a complete explanation of why the appellant believes that the loan committee's decision should be amended or reversed.
- (d) An appeal must be received by the department, at the address specified, not later than the close of business on the 15th day after the mailing of the notice under 3 AAC 77.060(c).
- (e) If an appeal is received, the party whose offer was proposed to be accepted will be notified as soon as possible.
- (f) The senior loan committee shall review and decide all appeals within five working days after the deadline for receipt of appeals under (d) of this section.
- (g) The department will send to all parties involved, by first class mail, a letter stating the senior loan committee's decision under (f) of this section, within five working days after the decision.
- (h) If the senior loan committee amends or reverses the loan committee's decision, the party whose offer was initially proposed to be accepted has a right of appeal under this section.

Authority:	AS 16.10.310	AS 26.15.085	AS 45.81.200
	AS 16.10.339	AS 27.09.050	AS 45.81.230
	AS 16.10.510	AS 44.33.020	AS 45.88.020
	AS 26.15.010	AS 44.33.245	AS 45.88.150
	AS 26.15.030	AS 45.81.120	AS 45.98.030

3 AAC 77.090. Financing of repossessed property.

- (a) A party requesting financing from the department to purchase property repossessed under 3 AAC 77.010 shall file a completed application on forms provided by the department.
- (b) A request for departmental financing for repossessed property will be handled in a manner similar to that used for other loan requests.
- (c) A person requesting financing from the department is responsible for all fees and costs associated with the loan application and, in the department's discretion, the loan closing.

Authority:	AS 16.10.310(a)	AS 27.09.050	AS 45.86.040(a)
	AS 16.10.339	AS 27.09.055	AS 45.87.040
	AS 16.10.355	AS 44.33.020(1)	AS 45.87.060
	AS 16.10.510(4)	AS 44.33.245(a)	AS 45.88.020(a)
	AS 16.10.555	AS 44.33.272	AS 45.88.050
	AS 26.15.010	AS 45.81.120	AS 45.88.140
	AS 26.15.030	AS 45.81.190	AS 45.88.150
	AS 26.15.040	AS 45.81.210	AS 45.98.030(3)
	AS 26.15.085	AS 45.81.230	AS 45.98.055

3 AAC 77.100. Foreclosure expenses.

On all defaulted loans, the department will, in its discretion, charge to the debtor's account all reasonable expenses, including

- (1) attorney fees and costs;
- (2) collection officer time directly associated with the debtor's account;
- (3) maintenance costs;
- (4) costs to protect collateral;
- (5) repossession costs;
- (6) sales costs; and
- (7) other direct costs attributed to the defaulted loan.

Authority:	AS 16.10.310(a)	AS 26.15.030	AS 45.81.210
	AS 16.10.337	AS 26.15.040	AS 45.86.040(a)
	AS 16.10.339	AS 27.09.050	AS 45.87.060
	AS 16.10.342	AS 44.33.020(1)	AS 45.88.020(a)
	AS 16.10.510(4)	AS 44.33.245(a)	AS 45.88.150
	AS 26.15.010	AS 45.81.120	AS 45.98.030(3)

3 AAC 77.900. Definitions.

In 3 AAC 77.010 - 3 AAC 77.900

- (1) "debtor" means an individual, partnership, corporation or other entity which contracts for a loan, assumes a loan, or guarantees or co-signs a loan administered by the department;
- (2) "default" means a violation of a provision of the loan documents, including failure to make any payment within 15 days after it is due or failure to maintain insurance required by the department;
- (3) "department" means the Department of Commerce, Community, and Economic Development;
- (4) "loan committee" means those persons designated by the department to serve as a loan committee;
- (5) "repossessed property" means collateral on a loan or other property obtained by the department through legal process, including default or other means; and
- (6) "senior loan committee" means those persons designated by the department to serve as a senior loan committee.

Authority:	AS 16.10.310(a)	AS 27.09.050	AS 45.87.060
	AS 16.10.339	AS 44.33.020(1)	AS 45.88.020(a)
	AS 16.10.510(4)	AS 44.33.245(a)	AS 45.88.150
	AS 26.15.010	AS 45.81.120	AS 45.98.030(3)
	AS 26.15.030	AS 45.81.210	AS 26.15.040
	AS 45.86.040(a)		