



**RESOLUTION TO SUPPORT
SENATE BILL 94 AND HOUSE BILL 114**

WHEREAS, the mission of the Alaska Commission on Postsecondary (ACPE) is to promote access to and success in education and career training beyond high school; and

WHEREAS, ACPE, in partnership with the Alaska Student Loan Corporation (ASLC), provides financing and educational resources to Alaskans through early awareness, college and career planning, financial aid and education loan programs; and

WHEREAS, when scholarships and federal aid do not meet Alaska students' full financial needs, Alaska state education loans fill the gap with low-cost, high quality loans; and

WHEREAS, the goal of SB 94 and HB 114 is to increase responsiveness to Alaska's higher education community, especially students, by enhancing ACPE's ability to meet the financial needs of Alaska's current and future student loan borrowers; and

WHEREAS, current loan limits in Alaska statutes are becoming a barrier to Alaska students who may not be able to cover the full cost of attendance with an Alaska education loan or who may be unable to obtain funding from private lenders; and

WHEREAS, removing loan limits from statute would provide ASLC the flexibility to adjust loan limits to match rising education costs, ensuring the full financial needs of Alaska's borrowers are met; and

WHEREAS, Alaska Refinance Loans offer Alaska residents the ability to consolidate multiple Alaska loans and/or loans from other lenders into one low interest rate Alaska loan; and

WHEREAS, refinance loan volume has decreased over the last two years, and the proposed legislation would expand eligibility for the program while ensuring qualifying applicants still have a nexus to Alaska; and

WHEREAS, expanding eligibility of the refinance program would increase the pool of qualified applicants without lowering current credit based underwriting criteria and more borrowers with an Alaska nexus would benefit from the competitive lending rates offered by ASLC; and

WHEREAS, studies have shown that borrowers with loans that enter repayment status immediately (even interest-only payments) have lower delinquency and default rates than loans that fully defer payment until after the in-school period ends; and

WHEREAS, clarifying ASLC's authority to offer a loan program with immediate repayment would benefit new borrowers that choose to enter the program by reducing their overall education loan costs; and

WHEREAS, the proposed legislation would positively impact the viability of ASLC by responsibly increasing loan volume and originations, which translates into lower per-loan servicing costs as well as lower interest rates and overall costs (economies of scale) for Alaska's student loan borrowers and their families.

THEREFORE BE IT RESOLVED, the Alaska Commission on Postsecondary Education supports SB 94 and HB 114 and requests the Alaska State Legislature's favorable action in passing this legislation.

ADOPTED April 8, 2021