

# Alaska Supplemental Education Loan

## Alaska Statutes

### Sec. 14.43.172. Eligibility.

(a) For a borrower to be eligible for a loan under AS 14.43.170 — 14.43.175, the borrower must be, or be about to be, enrolled in a postsecondary institution on at least a half-time basis and must be

(1 ) a resident of this state

(A ) attending or about to attend a postsecondary institution that has been approved by and has executed a program participation agreement with the commission; or

(B ) attending or about to attend an approved federal guaranteed student loan institution;

or

(2) physically present in this state and attending or about to attend a federal guaranteed student loan institution located in this state.

(b ) To meet the residency requirement of (a) of this section, the borrower must meet the standards set out in [AS 14.43.162\(b\)](#).

(c) In addition to the provisions of (a) of this section, a borrower is eligible for a loan under [AS 14.43.170— 14.43.175](#) if the borrower (1 ) is not delinquent in payment on a loan previously awarded by the commission;

(2) at the time of application or loan disbursement, does not have a past due child support obligation established by court order or by the child support services agency under [AS 25.27.160 — 25.27.220](#);

(3) has not, within the previous five years, had a loan discharged or written off by the commission for any reason;

(4) does not have a status, at the time of application for a loan or disbursement of loan money, that would prevent the borrower from repaying the loan as it becomes due;

(5) has not, within the previous five years, defaulted on another loan made to the borrower by a lending entity unless the borrower can show good faith efforts to repay the loan and extraordinary circumstances that led to the default;

(6) has a credit history, at the time of application for a loan, that demonstrates an ability and willingness to pay an extension of credit or loan as it becomes due; and

(7) has complied with the military selective service registration requirements imposed under 50 U.S.C. App. 453 (Military Selective Service Act), if those requirements were applicable to the person.

(d) ) The commission may not make a loan to a borrower who has been in default on a loan previously awarded by the commission unless the previously awarded loan has been paid in full.

(e) Notwithstanding (c)(4) — (6) of this section, the commission may make a loan to a borrower if another individual who satisfies the requirements of (c) of this section cosigns the loan.

(f) ) The commission may withhold disbursement of a loan if the borrower no longer meets the eligibility standards set out in this section.

## **Alaska Regulations**

**20 AAC 15.705. Applicant eligibility.** (a) A borrower of an Alaska supplemental education loan (ASEL) must meet the eligibility requirements of AS 14.43.172 and 14.43.173 and

- (1) must be enrolled and admitted into an eligible program of study on at least a half-time basis;
- (2) must maintain satisfactory academic progress as determined by the school's policy;
- (3) may not be in default on any federal or state education loan;
- (4) if the individual is eligible to participate in the AlaskAdvantage loan program based solely on the individual's status as a resident of this state, during periods of absence from this state under AS 14.43.162(c), must have, and must demonstrate behavior consistent with, a continuing intent to return to and remain permanently in this state; and
- (5) be a United States citizen or permanent resident alien admitted to the United States as a lawful permanent resident according to 8 U.S.C. 1101-1537 (United States Immigration and Nationality Act).

(b) The commission staff may perform a credit history check on each loan applicant and endorser.

(c) To be considered eligible for the loan the applicant, or endorser if required under AS 14.43.172, must have a credit history that demonstrates good credit. For purposes of this paragraph, an applicant will be considered to have good credit if the applicant has a FICO score that is equal to or higher than the FICO score set by the corporation or meets other FICO score related credit criteria set by the corporation, and an endorser will be considered to have a good credit if the endorser has a FICO score that is equal to or higher than the FICO score set by the corporation or meets other FICO score-related credit criteria set by the corporation.

(g) For purposes of AS 14.43.172(e), an endorser's bankruptcy may be considered adverse credit.

## **20 AAC 15.940. Limitations on awarding loans.**

(f) For the purposes of AS 14.43.125(a)(7), AS 14.43.172(c)(5), or 14.43.750(a)(1)(B), a person has defaulted on a loan if any of the following has occurred:

- (1) foreclosure upon or repossession of collateral for a loan or installment contract;
- (2) execution procedures initiated on an unpaid loan or installment contract;

- (3) entry of judgment accelerating the amount due under a loan or installment contract;
- (4) the discharge by a creditor of a debt or installment contract due to nonpayment on a balance greater than \$250.

(g) If an applicant's credit history, learned through a credit check or otherwise, shows any of the following within the preceding two years, the applicant for a loan may obtain the loan only in compliance with AS 14.43.125(d):

- (1) eviction from rental or leased housing based on non-payment;
- (2) two or more credit accounts for which payments are currently three months or more past due;
- (3) checks returned for insufficient funds on three or more occasions;
- (4) lien for delinquent taxes that are not satisfied within 24 months, unless disputed and dispute pending;
- (5) two or more references of an account to a credit collection agency; or
- (6) an unsatisfactory credit score based on the industry standard set by the credit agency performing the review.

(h) The commission staff will perform a credit history check on a loan applicant who

- (1) is 21 years of age or older;
- (2) is under 21 years of age if the commission staff has cause to believe that adverse credit actions will appear on the applicant's credit history;
- (3) is under 21 years of age if the person has one or more dependent children; or
- (4) has attained independent financial status by reaching the age of majority upon marriage under AS 25.20.020 or being emancipated under AS 09.55.590.