

LEGAL SERVICES

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MEMORANDUM

January 13, 2010

SUBJECT: WICHE loan forgiveness (HB 235)
(Work Order No. 26-LS0913\A)

TO: Representative Cathy Muñoz
Attn: Kendra Kloster

FROM: Jean M. Mischel *Handwritten for Jean Mischel*
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Adds a subsection that requires the Alaska Commission on Postsecondary Education to provide funding for no fewer than five students in each of three areas of a four year program in dentistry, optometry, and pharmacy under the existing Professional Student Exchange Program of the Western Interstate Commission on Higher Education (WICHE) loan program.

Section 2. Amends repayment provision for WICHE loans by establishing an annual five percent interest rate and limiting accrual of interest to program completion period.

Section 3. Adds two types of loan forgiveness for WICHE loans: (1) a five year five percent loan forgiveness option for state residents who practice here in the areas of dentistry, optometry, and pharmacy; and (2) a five year five percent loan forgiveness option for professionals practicing in geographically underserved areas or by providing a minimum amount in gross billings under medical assistance coverage in the state.

JMM:plm
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