



March 14, 2025

## **Teacher Education Loan Program**

### **Overview**

In 1986, AS 14.43.610 established the Teacher Education Loan (TEL) program to provide low-cost education loans to graduates of Alaska high schools who were enrolled in bachelor's degree programs in elementary or secondary teacher education or undergraduate certificate programs leading to elementary or secondary teacher certification. Both in-state and out-of-state degree programs were eligible. The program ceased originating new loans due to a variety of factors (including a low teacher return rate) and awarded the last loan in 2018.

On an annual basis, the Alaska Commission on Postsecondary Education (ACPE) mailed nomination forms to school districts in Alaska that included a rural community. School districts nominated students interested in pursuing an education related to either elementary or secondary education. ACPE mailed a letter with information regarding the TEL and a Promissory Note (PN) to all nominated students. Once ACPE had received a completed PN, the postsecondary institution certified the student was enrolled in a qualifying education program and had financial need. ACPE awarded eligible applicants up to \$7,500 per year. TEL recipients wishing to continue receiving funds from the program were required to apply annually for up to 5 years of funding.

TEL recipients may receive forgiveness benefits to equal 100% of principal and interest as long as they work as a teacher in a rural Alaska community, as defined in statute, and meet all other forgiveness eligibility requirements. In order to receive forgiveness, borrowers must apply annually after each completed year of teaching and provide required documentation. The amount of the forgiveness benefit is determined by the number of years working in the state as a teacher. Borrowers completing their first, second or third year of eligible work in the state are awarded 15% forgiveness. The forgiveness amount increases to 25% for those students completing their 4th year of eligible work, and the fifth year of forgiveness is 30%. Loan recipients who do not return to teach in rural Alaska are required to repay the debt.

### **How many people have utilized the program?**

Since this loan program's inception, 1,368 individuals received 3,879 loans. The total amount of funding awarded was \$24,691,181. Peak usage was in 1996 when 211 loans were disbursed for a total of \$1,197,431.

**How many loans have been forgiven?**

Of 3,879 total loans, 1,155 (29.8%) received one or more loan forgiveness benefits.

**How much money is in this program?**

Funding for this program was provided through the Alaska Student Loan Corporation until its cessation in 2018.