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SENATE CS FOR HOUSE BILL NO. 114(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the education loan program, the Alaska supplemental education
2 loan program, and the teacher education loan program; and providing for an effective
3 date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 14.43.122(b) is amended to read:

6 (b) For a borrower to be eligible for consolidation of a loan under this section,
7 the borrower must apply on a form approved by the corporation and must [PROVIDE
8 PROOF SATISFACTORY TO THE CORPORATION THAT THE BORROWER]

9 (1) physically reside [RESIDES] in the state and have [HAS]
10 maintained a domicile in the state for not less than 12 consecutive months before
11 submitting an application for consolidation;

12 (2) be a previous borrower, cosigner, or beneficiary of an
13 education loan made under AS 14.43 or AS 14.44 [HAS NOT BEEN
14 PHYSICALLY ABSENT FROM THE STATE FOR MORE THAN 60 DAYS IN

THE 12 MONTHS BEFORE SUBMITTING AN APPLICATION FOR CONSOLIDATION]; or

(3) be a graduate of a high school or postsecondary institution physically located in the state [HAS NOT DECLARED RESIDENCY IN ANOTHER STATE;

(4) HAS NOT RECEIVED A BENEFIT OF RESIDENCY IN ANOTHER STATE].

* **Sec. 2.** AS 14.43.173(a) is amended to read:

(a) In a school year, the corporation may finance a loan [TO AN ELIGIBLE BORROWER] under AS 14.43.170 - 14.43.175 in a maximum amount to be determined by the corporation to an eligible [ATTENDING AN ELIGIBLE POSTSECONDARY INSTITUTION NOT TO EXCEED]

(1) [\$14,000 TO AN ELIGIBLE] undergraduate student attending an eligible [A] college or university;

(2) [\$15,000 TO AN ELIGIBLE] graduate student attending an eligible [A] college or university; and

(3) [\$10,000 TO AN ELIGIBLE] student attending an eligible [A] career education program.

* **Sec. 3.** AS 14.43.173(b) is amended to read:

(b) The corporation may finance loans made under AS 14.43.170 - 14.43.175 to an eligible [A] borrower in a maximum total [IN AN] amount to be determined by the corporation for [THAT IS NOT MORE THAN]

(1) an [A TOTAL OF \$56,000 FOR] undergraduate study program;

(2) a [TOTAL OF \$60,000 FOR] graduate study program; and [; OR]

(3) a combined [TOTAL OF \$87,000 FOR] undergraduate and graduate study program.

* **Sec. 4.** AS 14.43.173(d) is amended to read:

(d) The commission shall determine a borrower's loan award amount for a specific school year, which [BASED ON A STUDENT'S ON-TIME, HALF-TIME, AND FULL-TIME STUDENT STATUS AND] may not exceed the limits established by the corporation [IN THIS SECTION] or the borrower's costs of attendance.

1 * **Sec. 5.** AS 14.43.175 is amended to read:

2 **Sec. 14.43.175. Repayment of loans.** A borrower's obligation to repay
3 [COMMENCE REPAYMENT OF] the principal of and interest on a loan made under
4 AS 14.43.170 - 14.43.175 begins not later [MORE] than six months following the
5 borrower's completion or other termination of the postsecondary program or on the
6 date [THAT] the borrower ceases to be enrolled in the program [ON] at least half
7 time. The commission and borrower may agree to a repayment schedule that
8 begins immediately upon disbursement of a loan [A HALF-TIME BASIS].

9 * **Sec. 6.** AS 14.43.700 is amended to read:

10 **Sec. 14.43.700. Definition.** In AS 14.43.600 - 14.43.700, "rural" means a
11 community with a population of 7,500 [5,500] or less that is not connected by road or
12 rail to Anchorage or Fairbanks or a community with a population of 1,500 or less that
13 is connected by road or rail to Anchorage or Fairbanks.

14 * **Sec. 7.** The uncoded law of the State of Alaska is amended by adding a new section to
15 read:

16 **RETROACTIVITY.** Section 6 of this Act is retroactive to January 1, 2016.

17 * **Sec. 8.** This Act takes effect July 1, 2022.