



LAWS OF ALASKA

1968

Source

SB 378

Chapter No.

112

AN ACT

Providing for scholarship loans; and providing for an effective date.

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

* Section 1. The purpose of this Act is to assist qualified Alaskan students selected by the designated authority to secure a higher education and to assist in retaining able students in Alaska for higher education and future leadership.

* Sec. 2. AS 14.40 is amended by adding new sections to read:

ARTICLE 9. SCHOLARSHIP LOANS.

Sec. 14.40.750. FUND CREATED. There is created a scholarship loan fund as an account in the general fund of the treasury of the state. The fund shall be used to make scholarship loans to students selected under secs. 750 - 830 of this chapter.

Sec. 14.40.760. LIMITS ON LOANS. (a) Each scholarship loan made to a student may not exceed \$500 in any school year for one student.

(b) Loans may not be made to a student for more than four academic years.

Sec. 14.40.770. RENEWAL PREFERENCE. A student who has been granted a scholarship loan under secs. 750 - 830 of this chapter and is in good standing with the college or university he is attending shall have the right to renew his scholarship loan the following academic year before any new loan is made to a student who did not have a loan the prior academic year. The administering authority

shall set a date each year when all applications for renewals must be made in order to have renewal preferences under this section.

Sec. 14.40.780. CONDITIONS OF LOANS. (a) Proceeds from scholarship loans under secs. 750 - 830 of this chapter may only be used for books, tuition and required fees, excluding room and board and optional fees.

(b) The loans may only be used to attend a college or university in Alaska accredited by the Northwest Association of Secondary and Higher Schools.

(c) The amount of an authorized loan not expended from the treasury for the purposes authorized by this section shall lapse at the close of the academic year and shall be credited against the original amount of the loan.

(d) Scholarship loans shall be noninterest bearing and may not require security; however, they shall provide for the payment of attorney fees and costs of court if either or both are incurred in collection of the unpaid amount owed on the loan.

(e) No part of a loan made under secs. 750 - 830 of this chapter may be required to be repaid during an academic year in which the student is attending a college or university anywhere as a full-time graduate student.

(f) Loans may be repaid at an accelerated rate at the option of the student.

(g) If a loan is in default, the administering authority may notify the student that repayment of the remaining balance is accelerated and due by sending the student a notice by registered or certified mail.

(h) The student must at all times continue to be enrolled as a full-time student in good standing at a college or university designated under (b) of this section in order to continue to receive aid under secs. 750 - 830 of this chapter.

(i) A student who receives any scholarship loans under secs. 750 - 830 of this chapter and who stays in Alaska or who leaves the state for attendance at a graduate school or for service in the military and immediately returns to Alaska following termination of his graduate studies or military service shall receive forgiveness of \$500 of loan indebtedness for each six-month period the student remains thereafter in Alaska. Time spent in Alaska under this subsection shall be credited against the loans in the same order that the loans were made.

(j) A student who does not qualify for forgiveness of all or a part of a loan made to him under secs. 750 - 830 of this chapter shall commence repayment of the unforgiven portion within six months after leaving the state or within six months after terminating his military service or graduate studies. The unforgiven portion shall be repaid in an amount of not less than \$50 per month.

(k) The administering authority may provide conditions

in the note signed by the student or in a separate document or communication which will help it to carry out the provisions of secs. 750 - 830 of this chapter.

Sec. 14.40.790. ELIGIBILITY OF STUDENTS. (a) A student may apply for a scholarship loan under secs. 750 - 830 of this chapter if

- (1) he is a resident of Alaska, and
- (2) he is either (A) enrolled as a full-time student in associate or baccalaureate degree programs or (B) a graduate of a high school or scheduled for graduation from a high school within six months with sufficient credits to be admitted to Alaskan colleges and universities defined under sec. 780(b) of this chapter.

Sec. 14.40.800. SELECTION CRITERIA. In selecting from among the eligible students those students who will be granted loans under secs. 750 - 790 of this chapter, the administering authority shall take into consideration the following items:

- (1) priority shall be given to entering freshmen who are graduates of Alaska high schools;
- (2) the student's standardized test scores;
- (3) the student's prior academic record;
- (4) personal recommendation from school;
- (5) the financial need statement of the student;
- (6) other items as may be determined by the administering authority.

Sec. 14.40.810. DISCRIMINATION PROHIBITED. The scholarship loan program shall be carried out without regard to the race, creed, sex, color, ancestry, national origin, or membership in fraternal or political organizations of the student applying for the loan.

Sec. 14.40.820. ADMINISTERING AUTHORITY. The scholarship loans provided for under secs. 750 - 830 of this chapter shall be administered through the Department of Education by the Alaska Higher Educational Facilities Commission which has been authorized and formed under AS 14.50.010 and 14.50.080 to comply with Title 1 of the Higher Education Facilities Act of 1963, Public Law 88-204. The commission may adopt regulations for carrying out the intent and purposes of secs. 750 - 830 of this chapter.

Sec. 14.40.830. DEFINITIONS. In secs. 750 - 820 of this chapter

- (1) "full-time student" means a student who is enrolled and is in regular attendance at classes for at least 12 semester hours of credit during the semester.
- (2) "resident" means a person who has resided in Alaska for at least one year before an application for a loan is made under secs. 750 - 820 of this chapter.

(3) "academic year" means from September 1st of one year through June 15th of the following year.

* Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.