



LAWS OF ALASKA

1986

Source

SCS CSHB 161(Fin)

Chapter No.

65

AN ACT

Relating to the interest rate, loan conditions and repayment provisions of scholarship loans; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 3, 1986
Actual Effective Date: July 1, 1986

AN ACT

Relating to the interest rate, loan conditions and repayment provisions of scholarship loans; and providing for an effective date.

* Section 1. AS 14.43.110 is amended to read:

Sec. 14.43.110. UNDERGRADUATE LOANS. The student financial aid committee may make a loan, not to exceed \$5,500 [\$6,000] in any one school year, to an undergraduate student eligible under AS 14.43.125. The committee may make a loan for a summer term, even if the total loan for the school year exceeds the \$5,500 [\$6,000] maximum, if the loan for the summer term is counted against the \$5,500 [\$6,000] maximum for the following school year.

* Sec. 2. AS 14.43.115 is amended to read:

Sec. 14.43.115. GRADUATE LOANS. The student financial aid committee may make a loan, not to exceed \$6,500 [\$7,000] in any one school year, to a graduate student who is eligible under AS 14.43.125 and is pursuing an advanced degree. The committee may make a loan for a summer term, even if the total loan for the school year exceeds the \$6,500 [\$7,000] maximum, if the loan for the summer term is counted against the \$6,500 [\$7,000] maximum for the following school year.

* Sec. 3. AS 14.43.120(b) is amended to read:

(b) Scholarship [THE] loans may only be used to attend a
(1) career education program that has been approved by the commission before July 1, 1986, or has been operating for at least two

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1 years before the borrower attends; or

2 (2) [A] college or university that

3 (A) has been approved by the commission before July 1,
4 1986, or has been operating for at least two years before the
5 borrower attends;

6 (B) is accredited by a national or regional accredita-
7 tion association recognized by the Council on Postsecondary
8 Accreditation or is approved by the commission; [,] and [,]

9 (C) if the loans are federally insured, is approved by
10 the United States Commissioner of Education.

11 * Sec. 4. AS 14.43.120(f) is amended to read:

12 (f) Interest on a loan given under AS 14.43.090 - 14.43.160 is
13 at the rate of eight [FIVE] percent a year unless the loan is in
14 default. Interest on a loan that is in default is 10 percent a year
15 for the period the loan is in default.

16 * Sec. 5. By January 31, 1987, the Alaska Commission on Postsecondary
17 Education shall submit a report to the legislature containing recommenda-
18 tions for changes relating to interest rate, loan conditions, and repayment
19 provisions designed to decrease the cost of the scholarship loan program.

20 * Sec. 6. This Act takes effect July 1, 1986.