

CS FOR SENATE BILL NO. 332(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/6/98
Referred: Rules

Sponsor(s): SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the Alaska Student Loan Corporation to set the amount
2 available from the student loan fund for student loan programs financed by the
3 student loan fund and increasing the amount of bonds that may be issued by the
4 Alaska Student Loan Corporation without legislative approval; relating to financial
5 assistance for students attending graduate education programs; and providing for
6 an effective date."

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

8 * Section 1. AS 14.42.210 is amended by adding a new subsection to read:

9 (d) The corporation shall set the amount available from the student loan fund
10 during an academic year for the student loan programs that receive financing from the
11 fund.

12 * Sec. 2. AS 14.42.220(f) is amended to read:

13 (f) The corporation may not issue bonds, other than refunding bonds, during

1 any two consecutive fiscal years in an aggregate amount greater than **\$200,000,000**
 2 **[\$125,000,000]** unless the legislature, by law, approves issuance of a greater amount.

3 * **Sec. 3.** AS 14.43.110(a) is amended to read:

4 (a) In a school year, the commission may make a loan not to exceed

5 (1) \$8,500 to a full-time undergraduate student or \$5,000 to a half-time
 6 undergraduate student attending a college or university if the full- or half-time student
 7 is otherwise eligible under AS 14.43.125;

8 (2) \$9,500 to a full-time graduate student or \$4,500 to a half-time
 9 graduate student attending a college or university if the full- or half-time graduate
 10 student is otherwise eligible under AS 14.43.125;

11 (3) \$5,500 to a full-time student or \$2,000 to a half-time student if the
 12 full- or half-time student is attending a career education program that is at least six
 13 weeks in length and is otherwise eligible under AS 14.43.125;

14 (4) **\$15,000 to a full-time graduate student attending a degree**
 15 **program not available in this state if the student is otherwise eligible under**
 16 **AS 14.43.125;**

17 (5) **\$25,000 to a full-time graduate student attending a medical or**
 18 **dental degree program if the student is otherwise eligible under AS 14.43.125.**

19 * **Sec. 4.** AS 14.43.120(d) is amended to read:

20 (d) Scholarship loans may not be made to a student

21 (1) for more than a total of \$42,500 for undergraduate study;

22 (2) for more than a total of

23 (A) \$47,500 for graduate study **in a program other than a**
 24 **program described under (B) of this paragraph; or**

25 (B) **\$60,000 for graduate study in a program not available**
 26 **in this state;**

27 (3) for more than a combined total of

28 (A) \$60,000 for undergraduate and graduate study **in a**
 29 **program other than a program described under (B) of this paragraph; or**

30 (B) **\$100,000 for undergraduate and graduate study if the**
 31 **graduate program was not available in this state;**

1 (4) to attend an institution if the total amount of scholarship loans made
2 to students to attend that institution exceeds \$100,000 and the default rate on those
3 loans is (A) greater than 20 percent but less than 25 percent, and the institution is
4 unable to reduce its default rate within 24 months after the rate determination; or (B)
5 equal to or greater than 25 percent for two consecutive calendar years; for purposes
6 of this paragraph, the default rate shall be determined by the commission for each
7 annual group of loans required to be repaid under (g) of this section on or after July
8 1, 1996; if a scholarship loan is refused based on the provisions of this paragraph and,
9 under a subsequent default rate determination, an institution's default rate does not
10 exceed the limits established under this paragraph, the commission may not refuse to
11 issue a scholarship loan to attend that institution based on the provisions of this
12 paragraph.

13 * **Sec. 5.** AS 14.43.120(g) is amended to read:

14 (g) A borrower's obligation to commence repayment of the principal and
15 interest on the loan begins six months after the borrower is no longer enrolled under
16 (c) of this section. The borrower shall repay the total amount owed in periodic
17 installments of at least \$50 a month over a period of not more than 15 years from the
18 commencement of the repayment obligation, **except that a borrower who borrows**
19 **under AS 14.43.110(a)(4) or (5) may repay the total amount owed over a period**
20 **of not more than 20 years from the commencement of the repayment obligation.**

21 If the commission and the borrower agree to a different repayment schedule, the
22 borrower shall repay the loan in accordance with the agreement. A borrower may
23 make payments earlier than required by this subsection or the agreement.

24 * **Sec. 6.** This Act takes effect immediately as provided under AS 01.10.070(c).