



# LAWS OF ALASKA

2001

**Source**

HB 204

**Chapter No.**

85

## AN ACT

Relating to the Alaska Commission on Postsecondary Education and the Alaska Student Loan Corporation; relating to student financial aid programs and the financing of those programs; establishing the Alaska advantage loan program and the Alaska supplemental education loan program; increasing the bonding authorization of the Alaska Student Loan Corporation; providing for liens resulting from a default under AS 14.43 or AS 14.44; relating to the duties of the recorder regarding those liens; relating to defaults under the Western Regional Higher Education Compact; relating to the prohibition on discrimination regarding programs under AS 14.43; relating to fees for the review of certain postsecondary institutions; making conforming amendments; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

**Approved by the Governor:** July 3, 2001

**Actual Effective Date:** Sections 1 - 7, 9, 12 - 24, 27, 28, 30 - 34, 36, 37, and 39 - 45 take effect July 4, 2001; remainder of Act takes effect July 1, 2002

AN ACT

1 Relating to the Alaska Commission on Postsecondary Education and the Alaska Student Loan  
2 Corporation; relating to student financial aid programs and the financing of those programs;  
3 establishing the Alaska advantage loan program and the Alaska supplemental education loan  
4 program; increasing the bonding authorization of the Alaska Student Loan Corporation;  
5 providing for liens resulting from a default under AS 14.43 or AS 14.44; relating to the duties  
6 of the recorder regarding those liens; relating to defaults under the Western Regional Higher  
7 Education Compact; relating to the prohibition on discrimination regarding programs under  
8 AS 14.43; relating to fees for the review of certain postsecondary institutions; making  
9 conforming amendments; and providing for an effective date.

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11 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section

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1 to read:

2 FINDINGS. The legislature finds and declares that

3 (1) it is essential for the ongoing economic health and well-being of the state  
4 and its citizens and families for the state to develop coordinated programs to more efficiently  
5 and fully use federal and state financial resources in

6 (A) making postsecondary educational opportunities more accessible  
7 to its citizens; and

8 (B) supporting recruitment and retention of students to support the  
9 state's postsecondary education system;

10 (C) creating statewide comprehensive planning for postsecondary  
11 education, including postsecondary educational institutions and related agencies; and

12 (D) creating a centralized information and financial aid center to  
13 provide a "one-stop" postsecondary educational information and financial aid services  
14 center;

15 (2) it is essential that this and future generations of Alaskans be given the  
16 fullest opportunity to access and benefit from postsecondary education, and that the state as a  
17 whole be enabled to provide and reap the benefits of a well-trained and educated citizenry;

18 (3) citizens of this state and students attending postsecondary institutions in  
19 this state, and their parents and others responsible for paying those postsecondary education  
20 expenses, should be provided with financial assistance at a lower cost in order to provide for  
21 those expenses;

22 (4) institutions of postsecondary education in the state should be provided  
23 with financial aid tools to assist in the admission and retention of qualified students; and

24 (5) benefits of the postsecondary programs, including the changes made by  
25 this Act, accrue to the Alaska public as a whole.

26 \* Sec. 2. AS 14.42.030(a) is amended to read:

27 (a) The commission has the following functions, advisory to the governing  
28 boards of institutions of public and private higher education in **this state** [ALASKA],  
29 to the governor, the legislature, and to other appropriate state and federal officials:

30 (1) coordinate the development of comprehensive plans for the orderly,  
31 systematic growth of public and private postsecondary education, including

1 community colleges and occupational education, in the state and submit  
2 recommendations on the need for, and location of, new facilities and programs;

3 (2) [ADVISE AS TO THE FUNCTIONS AND PURPOSES OF THE  
4 COLLEGES AND UNIVERSITIES, BOTH PUBLIC AND PRIVATE, IN THE  
5 STATE AND COUNSEL AS TO THE PROGRAMS APPROPRIATE TO EACH;

6 (3) REVIEW THE ANNUAL BUDGETS AND CAPITAL OUTLAY  
7 REQUESTS OF THE UNIVERSITY OF ALASKA AND OF EACH OF THE  
8 PRIVATE COLLEGES AND UNIVERSITIES IN THE STATE, AND PRESENT  
9 COMMENTS ON THE GENERAL LEVEL OF SUPPORT SOUGHT;

10 (4)] review and advise as to the efficiency and effectiveness  
11 [WORKING] of all consortia and other cooperative agreements between the  
12 institutions of public and private higher education in the state that are parties to them  
13 [;

14 (5) REPEALED].

15 \* Sec. 3. AS 14.42.030(b) is repealed and reenacted to read:

16 (b) The commission shall

17 (1) administer the financial aid and interstate education compact  
18 programs under AS 14.43.091 - 14.43.920 and 14.43.990, and AS 14.44;

19 (2) administer the provisions of AS 14.48 concerning regulation of  
20 postsecondary educational institutions;

21 (3) resolve disputes under a consortium or other cooperative agreement  
22 between institutions of public and private higher education in the state; and

23 (4) serve as the state agency required under 20 U.S.C. 1001 - 1155.

24 \* Sec. 4. AS 14.42.030 is amended by adding a new subsection to read:

25 (e) The commission may

26 (1) adopt regulations under AS 44.62 (Administrative Procedure Act)

27 to

28 (A) carry out the purposes of

29 (i) AS 14.43.091 - 14.43.750, 14.43.990, AS 14.44, and  
30 AS 14.48; and

31 (ii) AS 14.43.910 and 14.43.920 as they relate to the

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1 purposes of AS 14.43.091 - 14.43.750, 14.43.990, AS 14.44, and  
2 AS 14.48; and

3 (B) ensure compliance with the requirements imposed by state  
4 and federal statutes and regulations governing the guaranty, insurance,  
5 purchase, or other dealings in eligible loans by federal agencies,  
6 instrumentalities, or corporations;

7 (2) delegate to the executive director of the commission or a  
8 subcommittee of the commission any duty imposed on or power granted to the  
9 commission by this chapter, AS 14.43, AS 14.44, or AS 14.48, except its power to  
10 adopt regulations and its duty to consider appeals under AS 14.43.100(b) and  
11 AS 14.48.120;

12 (3) establish task forces, committees, or subcommittees, not  
13 necessarily consisting of commission members, to advise and assist the commission in  
14 carrying out its functions;

15 (4) contract with or use existing institutions of postsecondary  
16 education or other individuals or organizations to make studies, conduct surveys,  
17 submit recommendations, or otherwise contribute to the work of the commission;

18 (5) establish fees for the review of an out-of-state institution that

19 (A) requests approval for participation in the programs under  
20 AS 14.43.091 - 14.43.750, 14.43.990, and AS 14.44; and

21 (B) is not accredited by a national or regional accreditation  
22 association recognized by the Council for Higher Education Accreditation; and

23 (6) collect all fees and costs incurred in collection of the amount owed  
24 on a loan or repayment obligation if the loan or repayment obligation becomes  
25 delinquent or in default; in this paragraph, fees and costs include attorney fees, court  
26 costs, and collection fees charged by a collection agency.

27 \* **Sec. 5.** AS 14.42.055 is amended to read:

28 **Sec. 14.42.055. Consortia.** All parties that are signatory to a consortium  
29 agreement between the University of Alaska and a private university or college must  
30 abide by a decision rendered by the commission when disagreements arise or exist  
31 between the parties. For purposes of this section and AS 14.42.030

1 [AS 14.42.030(b)(6)], "consortium" means a cooperative arrangement between two or  
 2 more public or private institutions of postsecondary [HIGHER] education specified in  
 3 agreements or memoranda of understanding to permit sharing of facilities,  
 4 instructional opportunities, and other educational services in such a way that the  
 5 integrity of each institution party to the consortium is preserved while at the same time  
 6 the institutions cooperatively plan the academic calendar, scheduling, use of personnel  
 7 and facilities, and educational programs and offerings to the maximum advantage of  
 8 the students and faculties of the institutions that are parties to a consortium.

9 \* Sec. 6. AS 14.42.110 is amended to read:

10 **Sec. 14.42.110. Purpose of corporation.** The purpose of the corporation is to  
 11 improve postsecondary [HIGHER] educational opportunities of eligible students  
 12 through the

13 (1) centralized administration of financial aid and loan programs;  
 14 (2) coordination of the state's administrative effort in student  
 15 financial aid and loan programs with those of other government authorities; and  
 16 (3) support of the administration by the federal government, other  
 17 states, and institutions of postsecondary education of the federal guaranteed  
 18 student loan program [FOR RESIDENTS OF THE STATE IN ACCORDANCE  
 19 WITH THIS CHAPTER].

20 \* Sec. 7. AS 14.42.200 is amended to read:

21 **Sec. 14.42.200. General powers.** In addition to other powers granted in this  
 22 chapter, the corporation may

23 (1) sue and be sued in its own name;  
 24 (2) adopt an official seal;  
 25 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)  
 26 to carry out the purposes of this chapter;  
 27 (4) make and execute agreements, contracts, and other instruments  
 28 necessary or convenient in the exercise of the powers and functions of the corporation,  
 29 including contracts with a person or governmental entity;  
 30 (5) receive, take, hold, and administer, on behalf of the  
 31 corporation and for any of its purposes, any appropriation, gift, grant, bequest,

1 devise, or donation of real property or personal property if that obligation of the  
2 corporation is not a debt of the state; in this paragraph, "property" includes

3 (A) money; and

4 (B) life estates, leases, or other interests in property

5 [RECEIVE, ADMINISTER, AND COMPLY WITH THE CONDITIONS  
6 AND REQUIREMENTS RESPECTING ANY APPROPRIATION, GIFT,  
7 GRANT, OR DONATION OF PROPERTY OR MONEY];

8 (6) borrow money as provided in this chapter to carry out its corporate  
9 purposes and issue its obligations as evidence of the borrowing;

10 (7) include in a borrowing the amounts to pay financing charges,  
11 interest on the obligations for a period not exceeding one year after the date on which  
12 the corporation estimates funds will otherwise be available to pay the interest,  
13 consultant, advisory, and legal fees, and other expenses necessary or incident to the  
14 borrowing;

15 (8) invest or reinvest, subject to its contracts with noteholders and  
16 bondholders, money held by the corporation as set out in AS 37.10.071;

17 (9) set and collect interest, fees, and charges in connection with  
18 education loans or repayment obligations held by the corporation and its  
19 servicing agents; in this paragraph, "charges" includes costs of financing by the  
20 corporation, service charges, insurance premiums, and other costs incurred by  
21 the corporation in carrying out its corporate purposes [COLLECT FROM A  
22 BORROWER AMOUNTS OWED WITH RESPECT TO A STUDENT LOAN THE  
23 CORPORATION HAS PURCHASED];

24 (10) gather information on postsecondary education financial  
25 resources [STUDENT LOANS] available to residents of this state [ALASKA] and  
26 disseminate the information to reasonably assure that qualified residents are aware of  
27 those financial resources [AVAILABLE TO THOSE ATTENDING OR DESIRING  
28 TO ATTEND INSTITUTIONS FOR WHICH LOANS MAY BE MADE UNDER  
29 AS 14.43.090 - 14.43.325, 14.43.600 - 14.43.700, OR 14.43.710 - 14.43.750];

30 (11) service education [STUDENT] loans and repayment  
31 obligations held by the corporation;

1 (12) purchase or participate in the purchase of education [STUDENT]  
2 loans;

3 (13) contract in advance for the purchase or sale of education  
4 [STUDENT] loans;

5 (14) sell or participate in the sale, either public or private and on terms  
6 authorized by the board, of education [STUDENT] loans to the Student Loan  
7 Marketing Association or to other purchasers;

8 (15) collect and pay reasonable fees and charges in connection with the  
9 purchase, sale, and servicing of education [STUDENT] loans and repayment  
10 obligations;

11 (16) enter into agreements with the federal government, including  
12 guaranty agreements and supplemental guaranty agreements as described in 20 U.S.C.  
13 1001 - 1155, as amended [THE UNITED STATES HIGHER EDUCATION ACT OF  
14 1965], as necessary to provide for the receipt by the corporation of administrative  
15 allowances and other benefits available under 20 U.S.C. 1001 - 1155, as amended  
16 [THE UNITED STATES HIGHER EDUCATION ACT OF 1965];

17 (17) administer federal money allotted to the state involving insured  
18 education [STUDENT] loans and related administrative costs and other matters;

19 (18) enter into agreements with the commission [ALASKA  
20 COMMISSION ON POSTSECONDARY EDUCATION] relating to education  
21 [STUDENT] loans and repayment obligations, the administration of the financial  
22 aid and loan programs [STUDENT LOAN FUND CREATED] under  
23 AS 14.43.091 - 14.43.750, 14.43.990, and AS 14.44 [AS 14.42.210], and the payment  
24 of and security for bonds of the corporation;

25 (19) to the extent permitted under contracts with bondholders [BOND  
26 HOLDERS], consent to the modification of the rate of interest, time of payment of an  
27 installment of principal or interest, or other terms of an education [A STUDENT]  
28 loan or repayment obligation held [PURCHASED] by the corporation;

29 (20) procure insurance against any loss in connection with the  
30 operation of its programs;

31 (21) provide advisory services to borrowers and other participants in

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1 the corporation's programs;

2 (22) enter into credit facility agreements and make pledges, covenants,  
3 and agreements with respect to the repayment of borrowings under the credit facility  
4 agreements;

5 (23) develop and implement education financing programs; in this  
6 paragraph, "programs" includes

7 (A) programs listed in AS 14.42.030(b)(1);

8 (B) programs for the guaranteeing, servicing, originating,  
9 and financing of education loans for borrowers located both inside and  
10 outside the state; and

11 (C) federal financial aid programs made under federal law;  
12 and

13 (24) perform [DO ALL] acts that may be necessary or appropriate  
14 [CONVENIENT, OR DESIRABLE] to carry out effectively the general objectives  
15 and purposes of the corporation under AS 14.42.100 - 14.42.990 [THE POWERS  
16 EXPRESSLY GRANTED OR NECESSARILY IMPLIED IN AS 14.42.100 -  
17 14.42.390].

18 \* **Sec. 8.** AS 14.42 is amended by adding a new section to read:

19 **Sec. 14.42.205. Supplemental education loans: financing program.** (a)

20 The purpose of this section is to provide for supplemental education loan program  
21 financing to assist qualified borrowers in meeting postsecondary education costs for  
22 which federal and private financial aid may be insufficient.

23 (b) The corporation may develop and establish a financing program for the  
24 Alaska supplemental education loan program administered by the commission under  
25 AS 14.43.170 - 14.43.175.

26 (c) The financing program established under (b) of this section

27 (1) shall

28 (A) provide that loans under the Alaska supplemental education  
29 loan program are

30 (i) medium-range and long-range fixed-rate and  
31 variable-rate loans; and

1 (ii) structured to operate as lines of credit;

2 (B) require terms and conditions for loans under the Alaska  
3 supplemental education loan program as the corporation determines are useful  
4 and feasible;

5 (C) be designed to

6 (i) assist postsecondary institutions in this state in  
7 attracting and retaining students;

8 (ii) maximize the amount of financing available by  
9 using private activity tax-exempt bond capacity as may be allocated by  
10 the state; and

11 (2) except as limited by (1)(B) of this subsection, may provide for  
12 terms and conditions that are more attractive than prevailing terms and conditions  
13 available to students from other supplemental education lenders.

14 \* Sec. 9. AS 14.42.210 is amended to read:

15 **Sec. 14.42.210. Education [STUDENT] loan fund and program**  
16 **administration.** (a) The **education** [STUDENT] loan fund is established in the  
17 corporation. The **education** [STUDENT] loan fund is a trust fund to be used to carry  
18 out the purposes of **AS 14.42.100 - 14.42.990, AS 14.43.091 - 14.43.160**  
19 [AS 14.42.100 - 14.42.390, AS 14.43.090 - 14.43.325], 14.43.600 - 14.43.700,  
20 14.43.710 - 14.43.750, **14.43.990**, and AS 14.44.025. The fund consists of money or  
21 assets appropriated or transferred to the corporation for the fund and money or assets  
22 deposited in it by the corporation. The corporation may establish separate accounts in  
23 the fund.

24 (b) Money and other assets of the **education** [STUDENT] loan fund may be  
25 used to

26 **(1) secure bonds of the corporation;**

27 **(2) pay the costs of administration of the fund;**

28 **(3) invest** [, INVESTED] in **education** [STUDENT] loans and  
29 investments under AS 37.10.071;

30 **(4) finance programs** [AND USED TO PURCHASE LOANS]  
31 approved under **AS 14.43.091 - 14.43.160** [AS 14.43.090 - 14.43.325], 14.43.600 -

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1 14.43.700, [OR] 14.43.710 - 14.43.750, or AS 14.44.040; and

2 (5) pay the costs of administering and collecting the loans and  
3 repayment obligations under the financial aid programs listed in (4) of this  
4 subsection.

5 (c) The financial aid programs listed in (b)(4) of this section [STUDENT  
6 LOAN FUND] shall be administered by the commission [ALASKA COMMISSION  
7 ON POSTSECONDARY EDUCATION]. The corporation and the commission may  
8 enter into agreements relating to the administration of the programs [FUND]. The  
9 corporation may assign its rights under the agreements for the benefit and security of  
10 holders of its bonds.

11 \* **Sec. 10.** AS 14.42.210(a) is amended to read:

12 (a) The education loan fund is established in the corporation. The education  
13 loan fund is a trust fund to be used to carry out the purposes of AS 14.42.100 -  
14 14.42.990, AS 14.43.091 - 14.43.175 [AS 14.43.091 - 14.43.160], 14.43.600 -  
15 14.43.700, 14.43.710 - 14.43.750, 14.43.990, and AS 14.44.025. The fund consists of  
16 money or assets appropriated or transferred to the corporation for the fund and money  
17 or assets deposited in it by the corporation. The corporation may establish separate  
18 accounts in the fund.

19 \* **Sec. 11.** AS 14.42.210(b) is amended to read:

20 (b) Money and other assets of the education loan fund may be used to

21 (1) secure bonds of the corporation;

22 (2) pay the costs of administration of the fund;

23 (3) invest in education loans and investments under AS 37.10.071;

24 (4) finance programs approved under AS 14.43.091 - 14.43.175  
25 [AS 14.43.091 - 14.43.160], 14.43.600 - 14.43.700, 14.43.710 - 14.43.750, or  
26 AS 14.44.040; and

27 (5) pay the costs of administering and collecting the loans and  
28 repayment obligations under the financial aid programs listed in (4) of this subsection.

29 \* **Sec. 12.** AS 14.42.220(b) is amended to read:

30 (b) Bonds may be authorized only by resolution of the board. Bonds shall be  
31 dated, bear interest at the rate or rates, be in the denominations, be in the form, either

1 coupon or registered, carry the registration privileges, be executed in the manner, be  
2 payable in the medium of payment, at the place or places, be subject to the terms of  
3 redemption, and mature as provided by the resolution or a subsequent resolution.  
4 However, a bond may not mature more than 40 [30] years after the date it is issued.

5 \* **Sec. 13.** AS 14.42.220(f) is amended to read:

6 (f) The corporation may not issue bonds, other than refunding bonds, during  
7 any two consecutive fiscal years in an aggregate amount greater than \$200,000,000  
8 [\$125,000,000] unless the legislature, by law, approves issuance of a greater amount.

9 \* **Sec. 14.** AS 14.42.230 is amended to read:

10 **Sec. 14.42.230. Trust indentures and trust agreements.** An issue of bonds  
11 by the corporation may be secured by a trust indenture or trust agreement between the  
12 corporation and a corporate trustee, which may be a trust company, bank, or national  
13 banking association, with corporate trust powers, located inside or outside the state, or  
14 by a secured loan agreement or other instrument or under a resolution giving powers  
15 to a corporate trustee by means of which the corporation may

16 (1) enter into agreements with the trustee or the bondholders that the  
17 board determines to be necessary or desirable, including covenants, provisions,  
18 limitations, and other agreements as to the

19 (A) application, investment, deposit, use, and disposition of the  
20 proceeds of bonds of the corporation or of money or other property of the  
21 corporation or in which it has an interest;

22 (B) fixing and collecting of [LOAN] payments and other  
23 consideration for an education [A STUDENT] loan or repayment  
24 obligation;

25 (C) assignment by the corporation of its rights in an education  
26 [A STUDENT] loan or repayment obligation or in a mortgage or other  
27 security interest created with respect to an education [A STUDENT] loan or  
28 repayment obligation to a trustee for the benefit of bondholders;

29 (D) terms and conditions upon which additional bonds of the  
30 corporation may be issued;

31 (E) vesting in a trustee of rights, powers, duties, funds, or

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1 property in trust for the benefit of bondholders, including the right to enforce  
2 payment, performance, and other rights of the corporation or of the  
3 bondholders, under an education [A STUDENT] loan or repayment  
4 obligation or a security interest created with respect to an education [A  
5 STUDENT] loan or repayment obligation;

6 (2) pledge, mortgage, or assign money, agreements, property, or other  
7 assets of the corporation either presently in hand or to be received in the future, or  
8 both; and

9 (3) provide for other matters that in any way affect the security or  
10 protection of the bonds.

11 \* **Sec. 15.** AS 14.42.270 is amended to read:

12 **Sec. 14.42.270. Pledge and agreement of state.** The state pledges to and  
13 agrees with holders of bonds issued by the corporation that the state will not limit or  
14 alter the rights and powers vested in the corporation under AS 14.42.100 - 14.42.990  
15 [AS 14.42.100 - 14.42.390] to fulfill the terms of a contract made by the corporation  
16 with the bondholders or in any way impair the rights and remedies of the bondholders  
17 until the bonds, together with the interest on them with interest on unpaid installments  
18 of interest, and all costs and expenses in connection with an action or proceeding by or  
19 on behalf of the bondholders, are fully met and discharged. The corporation may  
20 include this pledge and agreement of the state in a contract with bondholders.

21 \* **Sec. 16.** AS 14.42 is amended by adding a new section to read:

22 **Article 3. General Provisions.**

23 **Sec. 14.42.990. Definitions.** In this chapter, unless the context requires  
24 otherwise,

25 (1) "board" means the board of directors of the corporation;

26 (2) "commission" means the Alaska Commission on Postsecondary  
27 Education created in AS 14.42.015;

28 (3) "corporation" means the Alaska Student Loan Corporation created  
29 in AS 14.42.100;

30 (4) "education loan" means a loan that is eligible for financing or is  
31 financed from the education loan fund established in AS 14.42.210;

1 (5) "eligible student" means an individual who meets the eligibility  
2 requirements established by the federal guaranteed student loan program or as  
3 otherwise set out in this chapter;

4 (6) "federal guaranteed student loan program" means the programs of  
5 the United States government that make postsecondary educational financial aid  
6 available under 20 U.S.C. 1070 - 1099c-2, as amended;

7 (7) "repayment obligation" means an obligation to repay financial  
8 support that is financed from the education loan fund established in AS 14.42.210 or  
9 otherwise administered by the commission.

10 \* **Sec. 17.** AS 14.43 is amended by adding a new section to read:

11 **Sec. 14.43.091. Education loan program.** (a) There is created the education  
12 loan program to provide loans to individuals who are students to assist in paying the  
13 costs of postsecondary education. The provisions of this section, AS 14.43.100 -  
14 14.43.160, 14.43.910, 14.43.920, and 14.43.990 apply to the loans.

15 (b) Upon approval by the commission of an education loan, the corporation  
16 shall finance a loan disbursement, subject to any limit that the corporation sets on the  
17 total amount of loans that the corporation will finance in a school year. A loan  
18 financed under this section becomes an asset of the corporation.

19 (c) Repayments of principal and interest on a loan are paid into the education  
20 loan fund established in AS 14.42.210. If money made available by the corporation is  
21 inadequate to fully finance eligible loan applications, additional financing from the  
22 general fund may be requested and appropriated for that year.

23 \* **Sec. 18.** AS 14.43.120(a) is amended to read:

24 (a) Proceeds from an education [A SCHOLARSHIP] loan to a full-time  
25 student may only be used for books and supplies, tuition and required fees, loan  
26 origination fees, and room and board. Proceeds from an education [A  
27 SCHOLARSHIP] loan to a half-time student may only be used for books and  
28 supplies, tuition and required fees, and loan origination fees.

29 \* **Sec. 19.** AS 14.43.120(f) is amended to read:

30 (f) Interest on a loan made under AS 14.43.091 - 14.43.160 [AS 14.43.090 -  
31 14.43.160] is equal to the interest rate

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1 (1) paid in each year on bonds issued by the Alaska Student Loan  
2 Corporation under AS 14.42.220; and

3 (2) necessary to pay the administrative cost of the **education**  
4 [STUDENT] loan program that is represented by the loan.

5 \* **Sec. 20.** AS 14.43.120(v) is amended to read:

6 (v) In determining a rate of interest under (f)(2) of this section,

7 (1) the commission shall use a method that ensures that the rate of  
8 interest is as low as possible without precluding the ability of the commission to  
9 administer loans made under **AS 14.43.091 - 14.43.160** [AS 14.43.090 - 14.43.160];  
10 and

11 (2) the total amount charged for administrative costs of the **education**  
12 [STUDENT] loan program may not exceed three percent above the amount  
13 determined under (f)(1) of this section.

14 \* **Sec. 21.** AS 14.43.122(a) is amended to read:

15 (a) The commission may offer

16 (1) a borrower who has received more than one loan under  
17 **AS 14.43.091 - 14.43.160** [THIS CHAPTER] the option of consolidating the multiple  
18 loans into a single loan; or

19 (2) to consolidate loans made **under AS 14.43.091 - 14.43.160** to  
20 married borrowers if the married borrowers agree to be jointly and severally liable for  
21 repayment of the consolidated loan, regardless of the borrowers' future marital status  
22 or the death of one of the borrowers.

23 \* **Sec. 22.** AS 14.43.125(c) is amended to read:

24 (c) A person may not be awarded **an education** [A SCHOLARSHIP] loan  
25 under **AS 14.43.091 - 14.43.160** [AS 14.43.090 - 14.43.160] if that person receives a  
26 teacher **education** [SCHOLARSHIP] loan under AS 14.43.600 - 14.43.700 for the  
27 same period of attendance.

28 \* **Sec. 23.** AS 14.43.135 is repealed and reenacted to read:

29 **Sec. 14.43.135. Discrimination prohibited.** The programs established under  
30 this chapter shall be carried out without regard to the applicant's or participant's race,  
31 creed, sex, color, ancestry, national origin, or membership in fraternal or political

1 organizations.

2 \* **Sec. 24.** AS 14.43.145(a) is amended to read:

3 (a) For the purposes of this chapter, a loan is in default **after** [IF] a loan  
4 payment has become 180 or more days past due. Upon default,

5 (1) repayment of the remaining balance is accelerated and due;

6 (2) the commission may take the borrower's permanent fund dividend  
7 under AS 43.23.067;

8 (3) the commission may issue an order to withhold and deliver under  
9 AS 14.43.147; [AND]

10 (4) the commission may provide notice of the default to a licensing  
11 entity for nonrenewal of the license under AS 14.43.148; **and**

12 **(5) the commission may record the lien created under**  
13 **AS 14.43.149.**

14 \* **Sec. 25.** AS 14.43.145(a) is amended to read:

15 (a) For the purposes of this chapter, a loan is in default after a loan payment  
16 has become 180 or more days past due **or, for a loan under AS 14.43.161 - 14.43.168**  
17 **or 14.43.170 - 14.43.175, the default requirements established by the commission**  
18 **have been met.** Upon default,

19 (1) repayment of the remaining balance is accelerated and due;

20 (2) the commission may take the borrower's permanent fund dividend  
21 under AS 43.23.067;

22 (3) the commission may issue an order to withhold and deliver under  
23 AS 14.43.147;

24 (4) the commission may provide notice of the default to a licensing  
25 entity for nonrenewal of the license under AS 14.43.148; and

26 (5) the commission may record the lien created under AS 14.43.149.

27 \* **Sec. 26.** AS 14.43.145(c) is amended to read:

28 (c) A borrower may appeal a notice of default by filing a statement with the  
29 executive director, within 30 days after the date of the notice, requesting that the loan  
30 status be reviewed. AS 44.62 (Administrative Procedure Act) does not apply to the  
31 review of default under this section. The borrower has the burden to show that, at the

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1 time of the notice of default, (1) no loan payment was more than 180 days past due or,  
2 for a loan under AS 14.43.161 - 14.43.168 or 14.43.170 - 14.43.175, the default  
3 requirements established by the commission had not yet been met; or (2) that the  
4 borrower entered into, and was in compliance with, a default forbearance agreement  
5 with the commission. Within 40 days after receiving a written request for review,  
6 the director shall inform the borrower in writing of the executive director's  
7 decision. The decision of the executive director is a final decision that may be  
8 appealed to the superior court under the Alaska Rules of Appellate Procedure.

9 \* Sec. 27. AS 14.43 is amended by adding a new section to read:

10 **Sec. 14.43.149. Lien.** (a) The amount owing on a loan that is in default under  
11 this chapter, including principal, interest, and collection costs, is a lien upon all  
12 property and right to property, real or personal, belonging to the borrower. The lien  
13 arises at the time that the commission mails or otherwise delivers a notice of default  
14 under AS 14.43.145(b) and continues until the balance of the loan, including principal,  
15 interest, and collection costs, is paid in full.

16 (b) A lien created under (a) of this section is

17 (1) not valid against a mortgagee or other lienholder, pledgee,  
18 purchaser, or judgment creditor until notice of the lien is recorded in the records of the  
19 recording district where the property subject to the lien is situated; and

20 (2) subject to AS 40.19.040(e).

21 \* Sec. 28. AS 14.43.160 is amended to read:

22 **Sec. 14.43.160. Definitions.** In AS 14.43.091 - 14.43.160, unless the context  
23 otherwise requires, [AS 14.43.090 - 14.43.160]

24 (1) "career education" means a course or program in vocational-  
25 technical training or education approved by the commission;

26 (2) "federally insured" means a loan covered by the provisions of  
27 20 U.S.C. 1001 - 1155 [THE GUARANTEED STUDENT LOAN PROGRAM OF  
28 TITLE IV, PART B, OF THE HIGHER EDUCATION ACT OF 1965 (P.L. 89-329)],  
29 as amended;

30 (3) "full-time student" means an undergraduate or career education  
31 student who is enrolled and is in regular attendance at classes for at least 12 semester

1 hours of credit or the equivalent during the semester or a graduate student who is  
 2 enrolled and is in regular attendance at classes for at least nine semester hours of credit  
 3 or the equivalent; any combination of semester hours of credit, or the equivalent,  
 4 aggregating to the requisite number of semester hours and undertaken during a  
 5 semester at two or more public or private institutions of higher education constitutes  
 6 full-time student status;

7 (4) "half-time student" means an undergraduate, graduate, or career  
 8 education student who during the semester is enrolled and is in regular attendance at  
 9 classes at one or more public or private institutions of higher education for at least a  
 10 total of six semester credit hours or an equivalent of six semester credit hours, and  
 11 includes a career education student enrolled and in regular attendance in classes for at  
 12 least 15 hours a week;

13 (5) "school year" means an academic period that is a minimum of 30  
 14 weeks of instructional time that begins between September 1 of one year and  
 15 August 31 of the following year;

16 (6) "summer term" means the period from June 1 **through** [-]  
 17 August 31.

18 \* Sec. 29. AS 14.43 is amended by adding new sections to read:

19 **Article 4A. Alaska Advantage Loan Program.**

20 **Sec. 14.43.161. Purpose; creation.** There is established the Alaska advantage  
 21 loan program to provide postsecondary educational financial assistance through the  
 22 federal guaranteed student loan program. The Alaska advantage loan program is the  
 23 primary source for financial aid to eligible borrowers under this chapter.

24 **Sec. 14.43.162. Eligibility.** (a) For a borrower to be eligible for a loan under  
 25 AS 14.43.161 - 14.43.168, the borrower must meet the eligibility requirements  
 26 established by the federal guaranteed student loan program and must be

27 (1) a resident of the state as determined under (b) of this section; or  
 28 (2) physically present in this state and attending an institution that is  
 29 physically located in this state.

30 (b) To meet the residency requirement of (a) of this section, the borrower

31 (1) must physically reside in this state and maintain a domicile in this

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1 state during the 12 consecutive months before the date of application for the program,  
2 except that the borrower may be absent from this state for not more than a total of 60  
3 days during that 12-month period; and

4 (2) may not have

5 (A) declared or established residency in another state; or

6 (B) received residency or a benefit based on residency from  
7 another state.

8 (c) To continue to meet the residency requirement of (a) of this section for  
9 each year that a loan is received or subsequently applied for, the borrower must meet  
10 the requirements of (b) of this section, except for

11 (1) full-time attendance at an educational or training institution;

12 (2) military service; or

13 (3) demonstrated good cause as determined by the commission.

14 **Sec. 14.43.163. Restrictions on award.** Under AS 14.43.161 - 14.43.168, the  
15 commission may make loans subject to the following restrictions:

16 (1) a loan amount awarded may not exceed the maximum amount for  
17 the school year as established by the federal guaranteed student loan program;

18 (2) a borrower may not be awarded a loan amount that would, when  
19 aggregated with other loans awarded to the student under the federal guaranteed  
20 student loan program, exceed the maximum total amount allowable for each borrower  
21 that is established by the federal guaranteed student loan program;

22 (3) the loan award may not exceed the total cost of attendance at the  
23 postsecondary institution less other forms of financial aid awarded to the borrower to  
24 pay for those costs.

25 **Sec. 14.43.164. Use of loan.** A borrower may use a loan under AS 14.43.161  
26 - 14.43.168 only for postsecondary education and reasonably related purposes as  
27 authorized by the federal guaranteed student loan program.

28 **Sec. 14.43.165. Interest.** (a) The corporation shall set the rate of interest on a  
29 loan made under AS 14.43.161 - 14.43.168 in accordance with federal and state law.  
30 Interest on a loan made under AS 14.43.161 - 14.43.168 may not exceed the rate  
31 specified by the applicable provisions of the federal guaranteed student loan program.

1 Interest on a loan made under AS 14.43.161 - 14.43.168 accrues from the time that the  
2 loan is disbursed.

3 (b) A borrower may elect to make payments of interest that is payable during  
4 the borrower's term of attendance at the postsecondary institution or during certain  
5 deferment periods authorized by the commission; however, the commission shall  
6 capitalize any unpaid interest as part of the principal to be repaid as agreed, or upon  
7 graduation, withdrawal, or completion of the deferment period.

8 (c) Notwithstanding the provisions of (b) of this section, if a borrower  
9 qualifies for a subsidized loan under the federal guaranteed student loan program, the  
10 interest on the loan is paid by the federal government during the borrower's term of  
11 attendance and any qualifying deferment and grace periods authorized under the loan.

12 **Sec. 14.43.166. Repayment of loans.** A borrower's obligation to commence  
13 repayment of the principal and interest on a loan under AS 14.43.161 - 14.43.168  
14 begins six months after the borrower's completion or other termination of the  
15 postsecondary education program. The commission may accelerate the repayment of  
16 any loan made in error or in reliance upon a false statement made by the borrower.  
17 The commission shall determine the period over which loans are repaid; however, the  
18 maximum period of repayment of loans may not exceed the maximum period  
19 permitted under applicable provisions of the federal guaranteed student loan program.

20 **Sec. 14.43.167. Consolidation of loans.** The commission may offer

21 (1) an eligible borrower who has received more than one loan under  
22 the federal guaranteed student loan program the option of consolidating the multiple  
23 loans into a single loan; or

24 (2) to consolidate loans made to married borrowers if the married  
25 borrowers agree to be jointly and severally liable for repayment of the consolidated  
26 loan, regardless of the borrowers' future marital status or the death of one of the  
27 borrowers.

28 **Sec. 14.43.168. Default.** (a) The commission shall establish the default  
29 requirements for loans made under AS 14.43.161 - 14.43.168; however, the  
30 requirements may not be less restrictive than those established by the federal  
31 guaranteed student loan program.

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1 (b) The provisions of AS 14.43.145 - 14.43.150 apply to loans under  
2 AS 14.43.161 - 14.43.168 that are in default.

3 **Article 4B. Alaska Supplemental Education Loan Program.**

4 **Sec. 14.43.170. Creation; purpose.** There is created the Alaska supplemental  
5 education loan program to provide postsecondary educational supplemental financial  
6 assistance. Supplemental financial assistance is available only if the financial aid  
7 available through the Alaska advantage loan program is insufficient to cover the costs  
8 of attendance at a postsecondary institution or if the borrower does not qualify for  
9 financial aid under the federal guaranteed student loan program. The commission  
10 shall make the public aware of the Alaska supplemental education loan program to  
11 facilitate providing loans to as many eligible borrowers as possible.

12 **Sec. 14.43.171. Applicability of other laws.** The provisions of  
13 AS 14.43.120(d)(4), 14.43.135, 14.43.140, 14.43.145 - 14.43.160, 14.43.164, and  
14 14.43.166 - 14.43.168 apply to the loans made under AS 14.43.170 - 14.43.175 as if  
15 the loans were made under those applicable provisions.

16 **Sec. 14.43.172. Eligibility.** (a) For a borrower to be eligible for a loan under  
17 AS 14.43.170 - 14.43.175, the borrower must be, or be about to be, enrolled in a  
18 postsecondary institution on at least a half-time basis and must be

19 (1) a resident of this state

20 (A) attending or about to attend a postsecondary institution that  
21 has been approved by and has executed a program participation agreement  
22 with the commission; or

23 (B) attending or about to attend an approved federal family  
24 education loan institution; or

25 (2) physically present in this state and attending or about to attend an  
26 approved federal family education loan institution located in this state.

27 (b) To meet the residency requirement of (a) of this section, the borrower must  
28 meet the standards set out in AS 14.43.162(b).

29 (c) In addition to the provisions of (a) of this section, a borrower is eligible for  
30 a loan under AS 14.43.170 - 14.43.175 if the borrower

31 (1) is not delinquent on and has never been in default on a loan

1 previously awarded by the commission;

2 (2) at the time of application or loan disbursement does not have a past  
3 due child support obligation established by court order or by the child support  
4 enforcement division under AS 25.27.160 - 25.27.220;

5 (3) has not, within the previous five years, had a loan discharged or  
6 written off by the commission for any reason;

7 (4) does not have a status, at the time of application for a loan or  
8 disbursement of loan money, that would prevent the borrower from repaying the loan  
9 as it becomes due;

10 (5) has not within the previous five years defaulted on another loan  
11 made to the borrower by a lending entity unless the borrower can show good faith  
12 efforts to repay the loan and extraordinary circumstances that led to the default; and

13 (6) does not have a credit history, at the time of application for a loan,  
14 that demonstrates chronic inability or unwillingness to pay an extension of credit or  
15 loan as it becomes due.

16 (d) The commission may make a loan to a borrower who has been in default  
17 on a loan previously awarded by the commission if

18 (1) the previously awarded loan has been paid in full; and

19 (2) another individual who satisfies the requirements of (c) of this  
20 section cosigns the loan.

21 (e) Notwithstanding (c)(4) - (6) of this section, the commission may make a  
22 loan to a borrower if another individual who satisfies the requirements of (c) of this  
23 section cosigns the loan.

24 (f) The commission may withhold disbursement of a loan if the borrower no  
25 longer meets the eligibility standards set out in this section.

26 (g) A borrower who is attending a postsecondary institution in this state that  
27 has been approved by the commission but is not an approved federal family education  
28 loan institution must also comply with and meet any other requirements established by  
29 the commission.

30 **Sec. 14.43.173. Loan award maximums; use of loan award.** (a) In a school  
31 year, the commission may make a loan to an eligible borrower under AS 14.43.170 -

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1 14.43.175 attending an eligible postsecondary institution not to exceed

2 (1) \$8,500 to an eligible undergraduate student attending a college or  
3 university;

4 (2) \$9,500 to an eligible graduate student attending a college or  
5 university;

6 (3) \$6,500 to an eligible student attending a career education program.

7 (b) The commission may not award loans made under AS 14.43.170 -  
8 14.43.175 to a borrower for more than

9 (1) a total of \$42,500 for undergraduate study;

10 (2) a total of \$47,500 for graduate study; or

11 (3) a combined total of \$60,000 for undergraduate and graduate study.

12 (c) To maintain a loan award under AS 14.43.170 - 14.43.175, the borrower  
13 must continue to be in good standing as determined by the institution and approved by  
14 the commission.

15 **Sec. 14.43.174. Interest.** (a) The interest rate on a loan made under  
16 AS 14.43.170 - 14.43.175 shall be set by the corporation, but the annual rate may not  
17 exceed 8.25 percent. Interest on a loan made under AS 14.43.170 - 14.43.175 accrues  
18 from the time the loan is disbursed.

19 (b) A borrower may elect to make payments of interest that is payable during  
20 the borrower's term of attendance at the postsecondary institution or during certain  
21 deferment periods authorized by the commission; however, the commission shall  
22 capitalize any unpaid interest as part of the principal to be repaid as agreed, or upon  
23 graduation, withdrawal, or completion of the deferment period.

24 **Sec. 14.43.175. Repayment of loans.** A borrower's obligation to commence  
25 repayment of the principal and interest on a loan under AS 14.43.170 - 14.43.175  
26 begins six months following the borrower's completion or other termination of the  
27 postsecondary program or the date that the borrower ceases to be enrolled on at least a  
28 half-time basis. The commission shall set the repayment terms of a loan under  
29 AS 14.43.170 - 14.43.175.

30 \* **Sec. 30.** AS 14.43.255(a) is amended to read:

31 (a) There is created a memorial **education** [SCHOLARSHIP] revolving loan

1 fund. The fund shall be used to provide education [EDUCATIONAL  
2 SCHOLARSHIP] loans to students selected under AS 14.43.250 - 14.43.325.  
3 Repayments [UNLESS THE INSTRUMENT EVIDENCING THE MEMORIAL  
4 SCHOLARSHIP LOAN HAS BEEN SOLD OR ASSIGNED TO THE ALASKA  
5 STUDENT LOAN CORPORATION, REPAYMENTS] of a loan shall be deposited  
6 into the memorial education [SCHOLARSHIP] revolving loan fund and shall be used  
7 to make new loans.

8 \* **Sec. 31.** AS 14.43.305(i) is amended to read:

9 (i) To the extent they are not in conflict with terms and conditions under  
10 AS 14.43.250 - 14.43.325, the terms and conditions of a memorial education  
11 [SCHOLARSHIP] loan made under AS 14.43.250(b)(5) are the same as the terms and  
12 conditions for an education [A SCHOLARSHIP] loan under AS 14.43.091 -  
13 14.43.160 [AS 14.43.090 - 14.43.160], except that the interest on the loan is equal to  
14 five percent.

15 \* **Sec. 32.** AS 14.43.320(b) is amended to read:

16 (b) To the extent that they are not in conflict with the provisions of  
17 AS 14.43.250 - 14.43.325, the provisions of AS 14.43.091 - 14.43.160 [AS 14.43.090  
18 - 14.43.160] relating to education [SCHOLARSHIP] loans are applicable to loans  
19 made under AS 14.43.250 - 14.43.325.

20 \* **Sec. 33.** AS 14.43.405(b) is amended to read:

21 (b) To the extent that they are not in conflict with the provisions of  
22 AS 14.43.400 - 14.43.405, the provisions of AS 14.43.091 - 14.43.160  
23 [AS 14.43.090 - 14.43.160] relating to student financial aid are applicable to the grants  
24 made under AS 14.43.400 - 14.43.500.

25 \* **Sec. 34.** AS 14.43.650(c) is amended to read:

26 (c) A student may not be awarded a teacher education [SCHOLARSHIP] loan  
27 under AS 14.43.600 - 14.43.700 if the student receives an education [A  
28 SCHOLARSHIP] loan under AS 14.43.091 - 14.43.160 [AS 14.43.090 - 14.43.160]  
29 for the same period of attendance.

30 \* **Sec. 35.** AS 14.43.650(c) is amended to read:

31 (c) A student may not be awarded a teacher education loan under

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1 AS 14.43.600 - 14.43.700 if the student receives a [AN EDUCATION] loan under  
2 AS 14.43.170 - 14.43.175 [AS 14.43.091 - 14.43.160] for the same period of  
3 attendance.

4 \* Sec. 36. AS 14.43.720(a) is amended to read:

5 (a) The family education loan account is created within the education loan  
6 fund (AS 14.42.210) [SCHOLARSHIP REVOLVING LOAN FUND  
7 (AS 14.43.090)]. The account shall be used to make family education loans to  
8 families selected under AS 14.43.710 - 14.43.750, to pay the costs of collecting family  
9 education loans that are in default if those costs are not recovered from the family, and  
10 to pay the costs of administering the account. Unless the instrument evidencing the  
11 family education loan has been sold or assigned to the Alaska Student Loan  
12 Corporation, repayments of principal and interest on family education loans shall be  
13 paid into the family education loan account. If estimated funds available from family  
14 education loan repayments are inadequate to fully fund estimated family education  
15 loans in a fiscal year, additional funding from the general fund may be requested and  
16 appropriated for that year.

17 \* Sec. 37. AS 14.43.990 is amended by adding a new paragraph to read:

18 (2) "corporation" means the Alaska Student Loan Corporation created  
19 in AS 14.42.100.

20 \* Sec. 38. AS 14.43.990 is amended by adding new paragraphs to read:

21 (3) "approved federal family education loan institution" means a  
22 postsecondary education institution in this state or outside of this state that is approved  
23 for participation in the federal guaranteed student loan program;

24 (4) "federal guaranteed student loan program" means the programs of  
25 the United States government making postsecondary educational financial aid  
26 available under 20 U.S.C. 1070 - 1099c-2, as amended.

27 \* Sec. 39. AS 14.44.040(b) is amended to read:

28 (b) A repayment under this section shall be paid into the education  
29 [STUDENT] loan fund created under AS 14.42.210.

30 \* Sec. 40. AS 14.44.040 is amended by adding a new subsection to read:

31 (c) If a program participant defaults on the repayment obligation, the

1 provisions of AS 14.43.145 - 14.43.150 apply to collect on the obligation as if it were  
2 a defaulted loan under AS 14.43.

3 \* **Sec. 41.** AS 40.19.040 is amended by adding a new subsection to read:

4 (e) The provisions of this section apply to a notice of a lien created under  
5 AS 14.43.149(a) and to documents relating to that lien.

6 \* **Sec. 42.** AS 14.42.010(a), 14.42.030(c), 14.42.390; AS 14.43.090, 14.43.255(c),  
7 14.43.315, 14.43.730; and AS 14.48.050(10) are repealed.

8 \* **Sec. 43.** The uncodified law of the State of Alaska is amended by adding a new section to  
9 read:

10 TRANSITION: IMPLEMENTATION. Notwithstanding sec. 47 of this Act, in order  
11 to timely disburse loans for the school year beginning on or after July 1, 2002, the Alaska  
12 Commission on Postsecondary Education and the Alaska Student Loan Corporation may  
13 immediately implement secs. 8, 10, 11, 25, 26, 29, 35, and 38 of this Act as if they were in  
14 effect at the time of implementation, so long as loan money is not disbursed under those  
15 sections before July 1, 2002.

16 \* **Sec. 44.** The uncodified law of the State of Alaska is amended by adding a new section to  
17 read:

18 TRANSITION: REGULATIONS. Notwithstanding sec. 47 of this Act, the state  
19 agencies affected by this Act may immediately proceed to adopt regulations necessary to  
20 implement the respective changes made by secs. 8, 10, 11, 25, 26, 29, 35, and 38 of this Act.  
21 The regulations take effect under AS 44.62 (Administrative Procedure Act) but not before the  
22 effective date of the statutory change.

23 \* **Sec. 45.** The uncodified law of the State of Alaska is amended by adding a new section to  
24 read:

25 REVISOR OF STATUTES INSTRUCTIONS. (a) The revisor of statutes is  
26 instructed to change

27 (1) the heading of AS 14.43 from "Scholarship, Loan, and Grant Programs for  
28 Postsecondary Students" to "Financial Aid Programs for Postsecondary Students";

29 (2) the heading of art. 4 of AS 14.43 from "Article 4. Scholarship Loan  
30 Program" to "Article 4. Education Loan Program";

31 (3) the heading of art. 5 of AS 14.43 from "Article 5. Memorial Scholarship

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1 Revolving Loan Fund" to "Article 5. Memorial Education Revolving Loan Fund"; and  
2 (4) the heading of art. 7 of AS 14.43 from "Article 7. Teacher Scholarship  
3 Loan Program" to "Article 7. Teacher Education Loan Program."

4 (b) The revisor of statutes is instructed to change the references to "scholarship loan"  
5 or "scholarship loans" to "education loan" or "education loans," respectively, in the Alaska  
6 Statutes, including in the following:

7 (1) AS 14.43.120(b), (d), (e), (r), and (u);

8 (2) AS 14.43.300(a), (b), (c), and (g), 14.43.305(a), (e), (g), and (j),  
9 14.43.310(b), (c), and (d), and 14.43.320(a); and

10 (3) AS 14.43.600(b), 14.43.610, 14.43.620(a) and (b), 14.43.630(a) and (b),  
11 14.43.640(d), (e), and (f), and 14.43.650(a) and (b).

12 (c) The revisor of statutes is instructed to change the reference to "student loans" to  
13 "education loans" in the heading of AS 14.43.110.

14 (d) The revisor of statutes is instructed to change the references to "student loan fund"  
15 to "education loan fund" in the Alaska Statutes, including in the following:

16 (1) AS 14.42.295(b)(3); and

17 (2) AS 14.43.120(u), 14.43.620(b), and 14.43.720(b).

18 (e) The revisor of statutes is instructed to change the references to "scholarship  
19 revolving loan fund" to "education revolving loan fund" in the Alaska Statutes, including in  
20 the following:

21 (1) AS 14.43.250(a) and (b), 14.43.255(b), 14.43.300(e) and (g), 14.43.310(c),  
22 and 14.43.325(a), (b), and (c);

23 (2) the heading of AS 14.43.620 and 14.43.620(a) and (b); and

24 (3) AS 39.20.245(a).

25 (f) The revisor of statutes is instructed to change the references to "memorial  
26 scholarship" or "memorial scholarships" to "memorial education loan" or "memorial  
27 education loans," respectively, in the Alaska Statutes, including in AS 14.43.250(a) and (b),  
28 14.43.255(b), 14.43.300(d), 14.43.310(b), and 14.43.320.

29 (g) The revisor of statutes is instructed to change the references to "scholarship" to  
30 "loan" in the following:

31 (1) AS 14.43.250(a) and 14.43.300(e);

1 (2) AS 43.75.032(a); and

2 (3) AS 43.77.035(a).

3 (h) The revisor of statutes is instructed to change the references to "scholarship  
4 account" to "education loan account" and references to "scholarship accounts" to "education  
5 loan accounts" in the following:

6 (1) AS 14.43.250(b), 14.43.300(g), and 14.43.325(a) and (c);

7 (2) AS 39.20.245(a);

8 (3) AS 43.75.032(a); and

9 (4) AS 43.77.035(a).

10 (i) The regulations attorney, under AS 44.62.125(b)(6), shall make changes in the  
11 Alaska Administrative Code to replace the terms "student loan" and "scholarship loan" with  
12 the term "education loan," consistent with the changes made by this Act.

13 \* **Sec. 46.** Sections 1 - 7, 9, 12 - 24, 27, 28, 30 - 34, 36, 37, and 39 - 45 of this Act take  
14 effect immediately under AS 01.10.070(c).

15 \* **Sec. 47.** Except as provided in sec. 46 of this Act, this Act takes effect July 1, 2002.