

SENATE BILL NO. 155

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 3/21/01

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

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

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

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

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
13 them[;

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

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 AS 14.42, AS 14.43, AS 14.44, or AS 14.48, except its power to adopt
10 regulations and its duty to consider appeals under AS 14.43.100(b) and AS 14.48.120;

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

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

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

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

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

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

26 * **Sec. 5.** AS 14.42.055 is amended to read:

27 **Sec. 14.42.055. Consortia.** All parties that are signatory to a consortium
28 agreement between the University of Alaska and a private university or college must
29 abide by a decision rendered by the commission when disagreements arise or exist
30 between the parties. For purposes of this section and **AS 14.42.030**
31 [AS 14.42.030(b)(6)], "consortium" means a cooperative arrangement between two or

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

8 * **Sec. 6.** AS 14.42.110 is amended to read:

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

12 **(1) centralized administration of financial aid and loan programs;**

13 **(2) coordination of the state's administrative effort in student**
 14 **financial aid and loan programs with those of other government authorities; and**

15 **(3) support of the administration by the federal government, other**
 16 **states, and institutions of postsecondary education of the federal guaranteed**
 17 **student loan program** [FOR RESIDENTS OF THE STATE IN ACCORDANCE
 18 WITH THIS CHAPTER].

19 * **Sec. 7.** AS 14.42.200 is amended to read:

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

22 (1) sue and be sued in its own name;

23 (2) adopt an official seal;

24 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)
 25 to carry out the purposes of this chapter;

26 (4) make and execute agreements, contracts, and other instruments
 27 necessary or convenient in the exercise of the powers and functions of the corporation,
 28 including contracts with a person or governmental entity;

29 (5) **receive, take, hold, and administer, on behalf of the**
 30 **corporation and for any of its purposes, any appropriation, gift, grant, bequest,**
 31 **devise, or donation of real property or personal property if that obligation of the**

1 **corporation is not a debt of the state; in this paragraph, "property" includes**

2 **(A) money; and**

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

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

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

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

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

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

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

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

31 (12) purchase or participate in the purchase of **education** [STUDENT]

1 loans;

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

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

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

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

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

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

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

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

30 (21) provide advisory services to borrowers and other participants in
31 the corporation's programs;

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

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

6 **(A) programs listed in AS 14.42.030(b)(1);**

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

10 **(C) federal financial aid programs made under federal law;**

11 **and**

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

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

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

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

22 (b) The corporation may develop and establish a financing program for the
23 Alaska Supplemental Education Loan Program administered by the commission under
24 AS 14.43.170 - 14.43.175.

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

26 (1) shall

27 (A) provide that loans under the Alaska Supplemental
28 Education Loan Program are

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

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

1 (B) require terms and conditions for those loans as the
2 corporation determines are useful and feasible;

3 (C) be designed to

4 (i) assist postsecondary institutions in this state in
5 attracting and retaining students;

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

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

12 * **Sec. 9.** AS 14.42.210 is amended to read:

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

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

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

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

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

28 **(4) finance programs** [AND USED TO PURCHASE LOANS]
29 approved under **AS 14.43.091 - 14.43.160** [AS 14.43.090 - 14.43.325], 14.43.600 -
30 14.43.700, [OR] 14.43.710 - 14.43.750, **or AS 14.44.040; and**

31 **(5) pay the costs of administering and collecting the loans and**

1 **repayment obligations under the financial aid programs listed in (4) of this**
 2 **subsection.**

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

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

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

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

18 (b) Money and other assets of the education loan fund may be used to
 19 (1) secure bonds of the corporation;
 20 (2) pay the costs of administration of the fund;
 21 (3) invest in education loans and investments under AS 37.10.071;
 22 (4) finance programs approved under **AS 14.43.091 - 14.43.175**
 23 [AS 14.43.091 - 14.43.160], 14.43.600 - 14.43.700, 14.43.710 - 14.43.750, or
 24 AS 14.44.040; and
 25 (5) pay the costs of administering and collecting the loans and
 26 repayment obligations under the financial aid programs listed in (4) of this subsection.

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

28 (b) Bonds may be authorized only by resolution of the board. Bonds shall be
 29 dated, bear interest at the rate or rates, be in the denominations, be in the form, either
 30 coupon or registered, carry the registration privileges, be executed in the manner, be
 31 payable in the medium of payment, at the place or places, be subject to the terms of

1 redemption, and mature as provided by the resolution or a subsequent resolution.

2 However, a bond may not mature more than 40 [30] years after the date it is issued.

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

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

7 * **Sec. 14.** AS 14.42.230 is amended to read:

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

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

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

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

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

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

29 (E) vesting in a trustee of rights, powers, duties, funds, or
30 property in trust for the benefit of bondholders, including the right to enforce
31 payment, performance, and other rights of the corporation or of the

1 bondholders, under an education [A STUDENT] loan or repayment
 2 obligation or a security interest created with respect to an education [A
 3 STUDENT] loan or repayment obligation;

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

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

9 * **Sec. 15.** AS 14.42.270 is amended to read:

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

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

20 **Article 3. General Provisions.**

21 **Sec. 14.42.990. Definitions.** In this chapter, unless the context requires
 22 otherwise,

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

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

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

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

30 (5) "repayment obligation" means an obligation to repay financial
 31 support that is financed from the education loan fund established in AS 14.42.210 or

1 otherwise administered by the commission;

2 (6) "eligible student" means an individual who meets the eligibility
3 requirements established by the federal guaranteed student loan program or as
4 otherwise set out in AS 14.43;

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

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

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

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

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

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

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

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

28 (f) Interest on a loan made under **AS 14.43.091 - 14.43.160** [AS 14.43.090 -
29 14.43.160] is equal to the interest rate

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

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

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

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

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

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

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

13 (a) The commission may offer

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

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

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

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

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

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

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

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

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

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

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

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

10 **(5) the commission may record the lien created under**
11 **AS 14.43.149.**

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

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

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

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

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

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

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

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

26 (c) A borrower may appeal a notice of default by filing a statement with the
27 executive director, within 30 days after the date of the notice, requesting that the loan
28 status be reviewed. AS 44.62 (Administrative Procedure Act) does not apply to the
29 review of default under this section. The borrower has the burden to show that, at the
30 time of the notice of default, **(1) no loan payment was more than 180 days past due or,**
31 **for a loan under AS 14.43.161 - 14.43.168 or 14.43.170 - 14.43.175, the default**

1 **requirements established by the commission had not yet been met;** or **(2)** that the
 2 borrower entered into, and was in compliance with, a default forbearance agreement
 3 with the commission. **Within 40 days after receiving a written request for review,**
 4 **the director shall inform the borrower in writing of the executive director's**
 5 **decision.** The decision of the executive director is a final decision that may be
 6 appealed to the superior court under the Alaska Rules of Appellate Procedure.

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

8 **Sec. 14.43.149. Lien.** (a) The amount owing on a loan that is in default under
 9 AS 14.43, including principal, interest, and collection costs, is a lien upon all property
 10 and right to property, real or personal, belonging to the borrower. The lien arises at
 11 the time that the commission mails or otherwise delivers a notice of default under
 12 AS 14.43.145(b) and continues until the balance of the loan, including principal,
 13 interest, and collection costs, is paid in full.

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

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

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

19 * **Sec. 28.** AS 14.43.160 is amended to read:

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

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

24 (2) "federally insured" means a loan covered by the provisions of
 25 **20 U.S.C. 1001 - 1155** [THE GUARANTEED STUDENT LOAN PROGRAM OF
 26 TITLE IV, PART B, OF THE HIGHER EDUCATION ACT OF 1965 (P.L. 89-329)],
 27 as amended;

28 (3) "full-time student" means an undergraduate or career education
 29 student who is enrolled and is in regular attendance at classes for at least 12 semester
 30 hours of credit or the equivalent during the semester or a graduate student who is
 31 enrolled and is in regular attendance at classes for at least nine semester hours of credit

1 or the equivalent; any combination of semester hours of credit, or the equivalent,
 2 aggregating to the requisite number of semester hours and undertaken during a
 3 semester at two or more public or private institutions of higher education constitutes
 4 full-time student status;

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

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

14 (6) "summer term" means the period from June 1 - August 31.

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

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

17 **Sec. 14.43.161. Purpose; creation.** There is established the Alaska
 18 Advantage Loan Program to provide postsecondary educational financial assistance
 19 through the federal guaranteed student loan program. The Alaska Advantage Loan
 20 Program is the primary source for financial aid to eligible borrowers under AS 14.43.

21 **Sec. 14.43.162. Eligibility.** For a borrower to be eligible for a loan under
 22 AS 14.43.161 - 14.43.168, the borrower must meet the eligibility requirements
 23 established by the federal guaranteed student loan program and

24 (1) must be a resident of the state as determined under (b) of this
 25 section; or

26 (2) must be physically present in this state and attending an institution
 27 that is physically located in this state.

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

29 (1) must physically reside in this state and maintain a domicile in this
 30 state during the 12 consecutive months before the date of application for the program,
 31 except that the borrower may be absent from this state for no more than a total of 60

1 days during that 12-month period; and

2 (2) may not have

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

4 (B) received residency or a benefit based on residency, from

5 another state.

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

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

10 (2) military service; or

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

12 **Sec. 14.43.163. Restrictions on award.** Under the Alaska Advantage Loan
13 Program, the commission may make loans subject to the following restrictions:

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

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

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

23 **Sec. 14.43.164. Use of loan.** A borrower may use a loan under this program
24 only for postsecondary education and reasonably related purposes as authorized by the
25 federal guaranteed student loan program.

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (1) must be a resident of this state

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

22 (B) attending or about to attend an approved FFEL institution;

23 or

24 (2) must be physically present in this state and attending or about to
25 attend an approved FFEL institution located in this state.

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

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

30 (1) is not delinquent and has never been in default on a loan previously
31 awarded by the commission;

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

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

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

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

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

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

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

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

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

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

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

28 **Sec. 14.43.173. Loan award maximums; use of loan award.** (a) In a school
29 year, the commission may make a loan to an eligible borrower under AS 14.43.170 -
30 14.43.175 attending an eligible postsecondary institution not to exceed

31 (1) \$8,500 to an eligible undergraduate student attending a college or

1 university;

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

4 (3) \$6,500 to an eligible student attending a career education program.

5 (b) The commission may not award loans made under AS 14.43.170 -
6 14.43.175 to a borrower for more than

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

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

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

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

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

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

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

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

29 (a) There is created a memorial **education** [SCHOLARSHIP] revolving loan
30 fund. The fund shall be used to provide **education** [EDUCATIONAL
31 SCHOLARSHIP] loans to students selected under AS 14.43.250 - 14.43.325.

1 **Repayments** [UNLESS THE INSTRUMENT EVIDENCING THE MEMORIAL
 2 SCHOLARSHIP LOAN HAS BEEN SOLD OR ASSIGNED TO THE ALASKA
 3 STUDENT LOAN CORPORATION, REPAYMENTS] of a loan shall be deposited
 4 into the memorial **education** [SCHOLARSHIP] revolving loan fund and shall be used
 5 to make new loans.

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

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

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

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

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

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

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

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

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

29 (c) A student may not be awarded a teacher education loan under
 30 AS 14.43.600 - 14.43.700 if the student receives **a** [AN EDUCATION] loan under
 31 **AS 14.43.170 - 14.43.175** [AS 14.43.091 - 14.43.160] for the same period of

1 attendance.

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

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

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

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

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

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

22 (4) "approved FFEL institution" means a postsecondary education
 23 institution in this state or outside of this state that is approved for participation in the
 24 federal guaranteed student loan program.

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

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

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

29 (c) If a program participant defaults on the repayment obligation, the
 30 provisions of AS 14.43.145 - 14.43.150 apply to collect on the obligation as if it were
 31 a defaulted loan under AS 14.43.

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

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

4 * **Sec. 42.** AS 14.42.010(a), 14.42.030(c), 14.42.390; AS 14.43.090, 14.43.255(c),
5 14.43.315, 14.43.730; and AS 14.48.050(10) are repealed.

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

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

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

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

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

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

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

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

29 (3) the heading of art. 5 of AS 14.43 from "Article 5. Memorial Scholarship
30 Revolving Loan Fund" to "Article 5. Memorial Education Revolving Loan Fund"; and

31 (4) the heading of art. 7 of AS 14.43 from "Article 7. Teacher Scholarship

1 Loan Program" to "Article 7. Teacher Education Loan Program."

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

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

6 (2) AS 14.43.300(a), (b), (c), and (g), 14.43.305(a), (e), (g), and (j),
7 14.43.310(b), (c), and (d), and 14.43.320(a); and

8 (3) AS 14.43.600(b), 14.43.610, 14.43.620(a) and (b), 14.43.630(a) and (b),
9 14.43.640(d), (e), and (f), and 14.43.650(a) and (b).

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

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

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

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

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

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

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

22 (3) AS 39.20.245(a).

23 (f) The revisor of statutes is instructed to change the references to "memorial
24 scholarship" or "memorial scholarships" to "memorial education loan" or "memorial
25 education loans," respectively, in the Alaska Statutes, including in AS 14.43.250(a) and (b),
26 14.43.255(b), 14.43.300(d), and 14.43.310(b)(1), (2), (3), and (4).

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

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

30 (2) AS 43.75.032(a); and

31 (3) AS 43.77.035(a).

1 (h) The revisor of statutes is instructed to change the references to "scholarship
2 accounts" to "education loan accounts" in the following:

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

4 (2) AS 39.20.245(a);

5 (3) AS 43.75.032(a); and

6 (4) AS 43.77.035(a).

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

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

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