

HOUSE BILL NO. 56

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES KERTTULA AND TUCK

Introduced: 1/20/09

Referred: Education, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to forgiveness of portions of education loans for certain borrowers who
2 are residents of the state."

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

4 * **Section 1.** AS 14.43.120(t) is amended to read:

5 (t) Payment of interest under (l) of this section and forgiveness under (s) **and**
6 **(w)** of this section are subject to appropriation by the legislature. Money obtained
7 from the sale of bonds by the Student Loan Corporation under AS 14.42.220 may not
8 be appropriated for the payment of interest or the forgiveness of loans.

9 * **Sec. 2.** AS 14.43.120 is amended by adding a new subsection to read:

10 (w) The state shall pay a portion of a loan on behalf of the borrower if,
11 immediately upon completion of the course of study for which the loan was granted,
12 the borrower is a resident of the state for at least two full consecutive years. The
13 portion of the loan that shall be paid by the state is calculated based on the following
14 percentages of the total loan received plus interest, up to a maximum of 50 percent of

1 the total loan plus interest, and based on the number of consecutive years the borrower
2 remains a resident after completion of the course of study:

3 (1) two full consecutive years' residence in the state, 10 percent;

4 (2) four full consecutive years' residence in the state, an additional 10
5 percent;

6 (3) five full consecutive years' residence in the state, an additional 10
7 percent;

8 (4) six full consecutive years' residence in the state, an additional 10
9 percent;

10 (5) seven full consecutive years' residence in the state, an additional 10
11 percent.