

**SENATE CS FOR HOUSE BILL NO. 114(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/15/22

Referred: Rules

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the education loan program, the Alaska supplemental education  
2 loan program, and the teacher education loan program; and providing for an effective  
3 date."

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

5 \* **Section 1.** AS 14.43.122(b) is amended to read:

6 (b) For a borrower to be eligible for consolidation of a loan under this section,  
7 the borrower must apply on a form approved by the corporation and **must** [PROVIDE  
8 PROOF SATISFACTORY TO THE CORPORATION THAT THE BORROWER]

9 (1) physically **reside** [RESIDES] in the state and **have** [HAS]  
10 maintained a domicile in the state for not less than 12 consecutive months before  
11 submitting an application for consolidation;

12 (2) **be a previous borrower, cosigner, or beneficiary of an**  
13 **education loan made under AS 14.43 or AS 14.44** [HAS NOT BEEN  
14 PHYSICALLY ABSENT FROM THE STATE FOR MORE THAN 60 DAYS IN

1 THE 12 MONTHS BEFORE SUBMITTING AN APPLICATION FOR  
2 CONSOLIDATION]; or

3 (3) be a graduate of a high school or postsecondary institution  
4 physically located in the state [HAS NOT DECLARED RESIDENCY IN  
5 ANOTHER STATE];

6 (4) HAS NOT RECEIVED A BENEFIT OF RESIDENCY IN  
7 ANOTHER STATE].

8 \* **Sec. 2.** AS 14.43.173(a) is amended to read:

9 (a) In a school year, the corporation may finance a loan [TO AN ELIGIBLE  
10 BORROWER] under AS 14.43.170 - 14.43.175 in a maximum amount to be  
11 determined by the corporation to an eligible [ATTENDING AN ELIGIBLE  
12 POSTSECONDARY INSTITUTION NOT TO EXCEED]

13 (1) [\$14,000 TO AN ELIGIBLE] undergraduate student attending an  
14 eligible [A] college or university;

15 (2) [\$15,000 TO AN ELIGIBLE] graduate student attending an  
16 eligible [A] college or university; **and**

17 (3) [\$10,000 TO AN ELIGIBLE] student attending an eligible [A]  
18 career education program.

19 \* **Sec. 3.** AS 14.43.173(b) is amended to read:

20 (b) The corporation may finance loans made under AS 14.43.170 - 14.43.175  
21 to an eligible [A] borrower in a maximum total [IN AN] amount to be determined  
22 by the corporation for [THAT IS NOT MORE THAN]

23 (1) an [A TOTAL OF \$56,000 FOR] undergraduate study program;

24 (2) a [TOTAL OF \$60,000 FOR] graduate study program; and [; OR]

25 (3) a combined [TOTAL OF \$87,000 FOR] undergraduate and  
26 graduate study program.

27 \* **Sec. 4.** AS 14.43.173(d) is amended to read:

28 (d) The commission shall determine a borrower's loan award amount for a  
29 specific school year, which [BASED ON A STUDENT'S ON-TIME, HALF-TIME,  
30 AND FULL-TIME STUDENT STATUS AND] may not exceed the limits established  
31 by the corporation [IN THIS SECTION] or the borrower's costs of attendance.

1 \* **Sec. 5.** AS 14.43.175 is amended to read:

2           **Sec. 14.43.175. Repayment of loans.** A borrower's obligation to **repay**  
3 [COMMENCE REPAYMENT OF] the principal of and interest on a loan **made** under  
4 AS 14.43.170 - 14.43.175 begins not **later** [MORE] than six months following the  
5 borrower's completion or other termination of the postsecondary program or **on** the  
6 date [THAT] the borrower ceases to be enrolled **in the program** [ON] at least **half**  
7 **time. The commission and borrower may agree to a repayment schedule that**  
8 **begins immediately upon disbursement of a loan** [A HALF-TIME BASIS].

9 \* **Sec. 6.** AS 14.43.700 is amended to read:

10           **Sec. 14.43.700. Definition.** In AS 14.43.600 - 14.43.700, "rural" means a  
11 community with a population of **7,500** [5,500] or less that is not connected by road or  
12 rail to Anchorage or Fairbanks or **a community** with a population of 1,500 or less that  
13 is connected by road or rail to Anchorage or Fairbanks.

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

16           **RETROACTIVITY.** Section 6 of this Act is retroactive to January 1, 2016.

17 \* **Sec. 8.** This Act takes effect July 1, 2022.