

Introduced: 2/6/81
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY BUCHHOLDT, FULLER AND ZHAROFF

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 42

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the undergraduate and graduate schol-
7 arship loan program; and providing for an effective
8 date."

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

10 * Section 1. AS 14.40.759 is amended to read:

11 Sec. 14.40.759. UNDERGRADUATE LOANS. The committee may make a
12 loan, not to exceed \$3,500 [\$3,000] in any one school year, to an
13 undergraduate student eligible under AS 14.40.765.

14 * Sec. 2. AS 14.40.761 is amended to read:

15 Sec. 14.40.761. GRADUATE LOANS. The committee may make a loan,
16 not to exceed \$6,000 [\$5,000] in any one school year, to a graduate
17 student who is eligible under AS 14.40.765 and is pursuing an advanced
18 degree.

19 * Sec. 3. AS 14.40.763(i) is amended to read:

20 (i) If a loan is in default, the commission shall [MAY] notify
21 the borrower [STUDENT] that repayment of the remaining balance is
22 accelerated and due by sending the borrower [STUDENT] a notice by
23 registered or certified mail.

24 * Sec. 4. AS 14.40.763(j) is amended to read:

25 (j) A portion of a loan shall be paid on behalf of the borrower
26 by the state if, upon completion of the course of study for which the
27 loan was granted, the borrower spends at least three years employed in
28 the state. The portion of the loan which shall be paid by the state
29 shall be the following percentages of the total loan received plus

1 interest [FOR UP TO A TOTAL OF 40 PERCENT];

2 (1) two -- three years residency, 10 percent;

3 (2) three -- four years residency, an additional 10 percent;

4 (3) four -- five years residency, an additional 10 percent;

5 (4) over five years residency: [,]

6 (A) 100 percent of the loan if the borrower demonstrates
7 to the committee that his scholastic average for the entire period
8 during which he received a loan under this section was "B" or
9 better; or

10 (B) an additional 40 [10] percent if the scholastic
11 average of the borrower for the entire period during which he
12 received a loan was less than "B".

13 * Sec. 5. AS 14.40.763 is amended by adding a new subsection to read:

14 (o) The provisions of (j) of this section do not apply to a loan
15 to a borrower who has been given notice of default under (i) of this
16 section.

17 * Sec. 6. This Act takes effect July 1, 1981.
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