

Original sponsors: Sturgulewski, Kerttula,
Stimson and Dankworth

Offered: 5/27/81
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 120 (Finance) (efd failed)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to undergraduate and graduate scholar-
7 ship loans."

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

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

10 Sec. 14.40.759. UNDERGRADUATE LOANS. The committee may make a
11 loan, not to exceed \$6,000 [\$3,000] in any one school year, to an
12 undergraduate student eligible under AS 14.40.765.

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

14 Sec. 14.40.761. GRADUATE LOANS. The committee may make a loan,
15 not to exceed \$7,000 [\$5,000] in any one school year, to a graduate
16 student who is eligible under AS 14.40.765 and is pursuing an advanced
17 degree.

18 * Sec. 3. AS 14.40.763(c) is amended to read:

19 (c) To maintain a loan the student must continue to be enrolled
20 as a full-time student in good standing in a career education program,
21 college or university designated under (b) of this section. The com-
22 mission shall adopt regulations defining "good standing" for purposes
23 of this subsection.

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

25 (d) Scholarship loans may not be made to a student

26 (1) for more than five years of undergraduate study;

27 (2) for more than five years of graduate study;

28 (3) for more than a total of eight [SIX] years of under-
29 graduate and graduate study.

1 * Sec. 5. AS 14.40.763(g) is repealed and reenacted to read:

2 (g) Unless the commission and the student agree to a different
3 repayment schedule, repayment of the principal and interest on the loan
4 begins no earlier than nine months nor later than one year after the
5 student terminates his studies. The loan shall provide for repayment
6 of the total amount owed in periodic installments in not less than five
7 nor more than 10 years from the commencement of repayment, except as
8 provided in (k) and (m) of this section. If the commission and the
9 student agree to a different repayment schedule, the student shall
10 repay the loan in accordance with the agreement. A student may make
11 payments earlier than required by this subsection.

12 * Sec. 6. AS 14.40.763(i) is amended to read:

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

17 * Sec. 7. AS 14.40.763(j) is amended to read:

18 (j) A portion of a loan shall be paid on behalf of the borrower
19 by the state if, upon completion of the course of study for which the
20 loan was granted, the borrower resides in the state for [SPENDS] at
21 least three years [EMPLOYED IN THE STATE]. The portion of the loan
22 which shall be paid by the state shall be the following percentages of
23 the total loan received plus interest for up to a total of 40 percent
24 of the total loan:

- 25 (1) [TWO -] three years residency, 20 [10] percent;
26 (2) [THREE -] four years residency, an additional 10 percent;
27 and
28 (3) [FOUR -] five years residency, an additional 10 percent

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(4) OVER FIVE YEARS RESIDENCY, AN ADDITIONAL 10 PERCENT].

* Sec. 8. AS 14.40.763(m) is amended to read:

(m) In case of hardship, the committee may extend repayment of a loan for an additional period of up to five years in increments no longer than 12 [SIX] months each [, WITHIN THE 15-YEAR REQUIREMENT OF (g) OF THIS SECTION].

* Sec. 9. AS 14.40.763(n) is amended to read:

(n) Each year spent attending a college or university in Alaska qualifies as a year of [EMPLOYMENT AND] residency under (j) of this section, if the borrower resides no less than three years in Alaska after completion of the course for which the loan was granted, and has a total Alaskan residency of 10 years time.

* Sec. 10. AS 14.40.763 is amended by adding a new subsection to read:

(o) The provisions of (j) of this section do not apply to a loan to a borrower named in a complaint as a defendant in an action by the state or by the commission to secure payment of the unpaid balance of a loan made under AS 14.40.759 or 14.40.761.