

Introduced: 2/25/83
Referred: Health, Education and
Social Services, House Special
Committee on State Loans and Finance

1 IN THE HOUSE

BY LINDAUER

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 56
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION
5 A BILL

6 For an Act entitled: "An Act relating to scholarship loans."

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

8 * Section 1. AS 14.43.110 is repealed and reenacted to read:

9 Sec. 14.43.110. UNDERGRADUATE LOANS. The committee may make a
10 loan for a school year to an undergraduate student eligible under
11 AS 14.43.125. A loan made under this section may not exceed \$6,000
12 except when necessary to cover the actual cost of

- 13 (1) books;
14 (2) tuition and required fees;
15 (3) room and board; and
16 (4) other necessary student expenses as determined by the

17 committee.

18 * Sec. 2. AS 14.43.115 is repealed and reenacted to read:

19 Sec. 14.43.115. GRADUATE LOANS. The committee may make a loan
20 for a school year to a graduate student eligible under AS 14.43.125.
21 A loan under this section may not exceed \$7,000 except when necessary
22 to cover the actual cost of

- 23 (1) books;
24 (2) tuition and required fees;
25 (3) room and board; and
26 (4) other necessary student expenses as determined by the

27 committee.

28 * Sec. 3. AS 14.43.120(a) is amended to read:

29 (a) Proceeds from scholarship loans may only be used for books,

1 tuition and required fees, [AND FOR] room and board, and other neces-
2 sary student expenses as determined by the committee.

3 * Sec. 4. AS 14.43.120(f) is amended to read:

4 (f) Interest on a loan given under AS 14.43.090 - 14.43.160 is
5 at the rate of seven [FIVE] percent a year.

6 * Sec. 5. AS 14.43.120(g) is amended to read:

7 (g) Repayment of the principal and interest on the loan begins
8 [NO LATER THAN] one year after the borrower's studies are terminated.
9 The loan shall provide for repayment of the total amount owed in
10 periodic installments in not more than 10 years from the commencement
11 of repayment, except as provided in (k) and (m) of this section. If
12 the commission and the borrower agree to a different repayment sched-
13 ule, the borrower shall repay the loan in accordance with the agree-
14 ment. A borrower may make payments earlier than required by this
15 subsection.

16 * Sec. 6. AS 14.43 is amended by adding a new section to read:

17 Sec. 14.43.132. **FEDERALLY INSURED LOANS ENCOURAGED.** Whenever
18 possible scholarship loans made under AS 14.43.090 - 14.43.160 shall
19 be federally insured.

20 * Sec. 7. AS 14.43.160 is amended by adding a new paragraph to read:

21 (9) "committee" means the student financial aid committee
22 of the Alaska Commission on Postsecondary Education.