

Offered: 4/4/83
Referred: House Special
Committee on State Loans
and Finance

Original sponsor: Lindauer

1 IN THE HOUSE
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 56 (HESS)
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 AS 14.43.110 is repealed and reenacted to read: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 under this section may not exceed \$6,000 except
12 when necessary to cover the actual cost of tuition, room, and required
13 fees.
14 * Sec. 2. AS 14.43.115 is repealed and reenacted to read:
15 Sec. 14.43.115. GRADUATE LOANS. The committee may make a loan
16 for a school year to a graduate student eligible under AS 14.43.125.
17 A loan under this section may not exceed \$7,000 except when necessary
18 to cover the actual cost of tuition, room, and required fees.
19 * Sec. 3. AS 14.43.120(f) is amended to read:
20 (f) Interest on a loan made [GIVEN] under AS 14.43.090 - 14.43.-
21 160 is at the rate of eight [FIVE] percent a year.
22 * Sec. 4. AS 14.43.120(g) is amended to read:
23 (g) Repayment of the principal and interest on the loan begins
24 no later than 120 days [ONE YEAR] after the borrower's studies are
25 terminated. The loan shall provide for repayment of the total amount
26 owed in periodic installments in not more than 10 years from the
27 commencement of repayment, except as provided in (k) and (m) of this
28 section. If the commission and the borrower agree to a different
29 repayment schedule, the borrower shall repay the loan in accordance

1 with the agreement. A borrower may make payments earlier than re-
2 quired by this subsection.

3 * Sec. 5. AS 14.43.120(j) is amended to read:

4 (j) A portion of a loan shall be paid on behalf of the borrower
5 by the state if, upon completion of the course of study for which the
6 loan was granted, the borrower is a resident of the state for at least
7 two years. The portion of the loan that shall be paid by the state is
8 the following percentages of the total loan received plus interest up
9 to a total of 20 [50] percent of the total loan:

10 (1) two - three years residence in the state, 10 percent;

11 (2) over three [- FOUR] years residence in the state, an
12 additional 10 percent [;

13 (3) FOUR - FIVE YEARS RESIDENCE IN THE STATE, AN ADDITIONAL
14 10 PERCENT;

15 (4) FIVE - SIX YEARS RESIDENCE IN THE STATE, AN ADDITIONAL
16 10 PERCENT;

17 (5) OVER SIX YEARS RESIDENCE IN THE STATE, AN ADDITIONAL 10
18 PERCENT].

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

20 Sec. 14.43.132. FEDERALLY INSURED LOANS ENCOURAGED. Whenever
21 possible scholarship loans made under AS 14.43.090 - 14.43.160 shall
22 be federally insured.

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

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