

Offered: 4/13/83  
Referred: Finance

Original sponsors: Lindauer, Uehling,  
Furnace and Wendte

BY THE SPECIAL COMMITTEE  
ON STATE LOANS

1 IN THE HOUSE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 56 (Loans)

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; and providing  
7 for an effective date."

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

9 \* Section 1. AS 14.43.120(f) is amended to read:

10 (f) Interest on a loan made [GIVEN] under AS 14.43.090 - 14.43.-  
11 160 is at the rate of eight [FIVE] percent a year.

12 \* Sec. 2. AS 14.43.120(k)(2) is amended to read:

13 (2) serving a first enlistment period of up to four years  
14 as an enlisted person on active duty as a member of the armed forces  
15 of the United States;

16 \* Sec. 3. AS 14.43.125 is repealed and reenacted to read:

17 Sec. 14.43.125. ELIGIBILITY OF STUDENTS. A person may apply for  
18 and obtain a scholarship loan if the person

19 (1) is

20 (A) enrolled as a full-time student in a career educa-  
21 tion, or associate, or baccalaureate, or graduate degree program;  
22 or

23 (B) a graduate of a high school, or scheduled for  
24 graduation from a high school within six months, with sufficient  
25 credits to be admitted to a career education program or to an  
26 accredited college or university;

27 (2) is not delinquent or in default on a previously awarded  
28 scholarship loan; and

29 (3) is a resident of the state at the time of application

1 for the loan. For purposes of this section, a person qualifies as a  
2 resident of the state if at the time of application for the loan the  
3 person

4 (A) has been physically present in the state for at  
5 least two years;

6 (B) is dependent on a parent or guardian for care, and  
7 the parent or guardian has been present in the state for at least  
8 two years; or

9 (C) has been physically present in the state for at  
10 least two years immediately before being absent from the state  
11 and the absence is due solely to

12 (i) military service;

13 (ii) volunteer service under the Peace Corps Act;

14 (iii) volunteer service under the Domestic Volun-  
15 teer Service Act of 1973;

16 (iv) attending a school as a full-time student; or

17 (v) full-time employment by the state or its  
18 congressional delegation.

19 \* Sec. 4. AS 14.43.130 is repealed and reenacted to read:

20 Sec. 14.43.130. SELECTION CRITERIA. (a) The selection commit-  
21 tee shall grant loans based on total point accumulations under this  
22 section with priority going to those applicants with the highest point  
23 accumulations, except as provided in (b) of this section. Points  
24 shall be awarded according to the following schedule:

25 (1) continuing undergraduate and graduate students with  
26 existing Alaska scholarship loans .....4 points

27 (2) continuing undergraduate and graduate students without  
28 existing Alaska scholarship loans .....3 points

29 (3) first year undergraduate students .....2 points

1           (4) new graduate students without existing Alaska scholar-  
2 ship loans .....1 point

3           (5) students attending Alaska colleges or universities ...-  
4 .....1 point

5           (b) The selection committee shall award loans to applicants  
6 based upon the earliest date of completed applications if the appli-  
7 cant has filed a completed application not later than May 15 of the  
8 year for which the loan is requested.

9 \* Sec. 5. AS 14.43 is amended by adding a new section to read:

10           Sec. 14.43.132. **FEDERALLY INSURED LOANS ENCOURAGED.** Whenever  
11 possible scholarship loans made under AS 14.43.090 - 14.43.160 shall  
12 be federally insured.

13 \* Sec. 6. AS 14.43.160 is amended by adding a new paragraph to read:

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

16 \* Sec. 7. If the two-year residency requirement for scholarship loans  
17 provided by AS 14.43.125 is declared unconstitutional or otherwise invalid  
18 by a court of competent jurisdiction, the Commission on Postsecondary  
19 Education shall adopt regulations to impose the most stringent residency  
20 requirement allowable under the Constitution of the State of Alaska and the  
21 United States Constitution on scholarship loan applicants.

22 \* Sec. 8. This Act takes effect July 1, 1984.