

Introduced: 2/13/84  
Referred: Health, Education and  
Social Services, House Special Committee  
on State Loans and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 681

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to default on and collection of  
7 student loans."

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

9 \* Section 1. AS 14.43.090(a) is amended to read:

10 (a) There is created a scholarship revolving loan fund. The  
11 fund shall be used to make scholarship loans to students selected  
12 under AS 14.43.090 -- 14.43.160 and to pay the costs of collecting  
13 student loans which are in default if those costs are not recovered  
14 from the student. All repayments of principal and interest on schol-  
15 arship loans shall be paid into the scholarship revolving loan fund  
16 [SHALL BE USED TO MAKE NEW SCHOLARSHIP LOANS]. If money estimated to  
17 be [FUNDS] available from scholarship loan repayments is [ARE] inade-  
18 quate to fully fund estimated scholarship loans for any fiscal year,  
19 additional funding from the general fund may be requested and appro-  
20 priated for that year.

21 \* Sec. 2. AS 14.43.120(f) is amended to read:

22 (f) Interest on a loan given under AS 14.43.090 -- 14.43.160 is  
23 at the rate of five percent a year unless the loan is in default under  
24 (o) of this section. Interest on a loan that is in default is 10  
25 percent a year.

26 \* Sec. 3. AS 14.43.120(o) is amended to read:

27 (o) The provisions of (j) of this section do not apply to a loan  
28 which is in default. A loan is in default if it is 120 or more days  
29 past due [TO A BORROWER NAMED IN A COMPLAINT AS A DEFENDANT IN AN

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ACTION BY THE STATE OR BY THE COMMISSION TO SECURE PAYMENT OF THE  
UNPAID BALANCE OF A LOAN MADE UNDER AS 14.43.110 OR 14.43.115].