Offered: 4/6/84
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 681 (Finance)

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; and providing for an effective date."

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 <u>and to pay the costs of collecting</u>
13 <u>student loans that are in default if those costs are not recovered</u>
14 <u>from the student</u>. All repayments of principal and interest on schol-
15 arship loans shall be paid into the scholarship revolving <u>loan</u> fund
16 [SHALL BE USED TO MAKE NEW SCHOLARSHIP LOANS]. If <u>money</u> estimated <u>to</u>
17 <u>be</u> [FUNDS] available from scholarship loan repayments <u>is</u> [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 <u>unless the loan is in default.</u>
24 <u>Interest on a loan that is in default is 10 percent a year</u>.

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

26 (o) The provisions of (j) of this section do not apply to a loan
27 <u>that is in default</u> [TO A BORROWER NAMED IN A COMPLAINT AS A DEFENDANT
28 IN AN ACTION BY THE STATE OR BY THE COMMISSION TO SECURE PAYMENT OF
29 THE UNPAID BALANCE OF A LOAN MADE UNDER AS 14.43.110 OR 14.43.115].

1 * Sec. 4. AS 14.43.120 is amended by adding a new subsection to read:

2 (q) For the purposes of this section a loan is in default if a

3 loan payment is 120 or more days past due.

4 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-

5 10.070(c).