

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) am
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 and to pay the costs of collecting
13 student loans that 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.
24 Interest on a loan that is in default is 10 percent a year for the
25 period the loan is in default.

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 that is in default [TO A BORROWER NAMED IN A COMPLAINT AS A DEFENDANT
29 IN AN ACTION BY THE STATE OR BY THE COMMISSION TO SECURE PAYMENT OF

1 THE UNPAID BALANCE OF A LOAN MADE UNDER AS 14.43.110 OR 14.43.115].

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

3 (q) For the purposes of this section a loan is in default if a
4 loan payment is 120 or more days past due.

5 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
6 10.070(c).