

Offered: 3/4/85
Referred: Health, Education &
Social Services and Finance

Original sponsor: Binkley

1. IN THE HOUSE
2
3 CS FOR HOUSE BILL NO. 161 (Loans)
4 IN THE LEGISLATURE OF THE STATE OF ALASKA
5 FOURTEENTH LEGISLATURE - FIRST SESSION
6 A BILL
7 For an Act entitled: "An Act relating to the interest rate, forgiveness
8 provisions, eligibility requirements, and conditions
9 of scholarship loans; and providing for an effective
10 date."
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
12 * Section 1. AS 14.43.120(f) is amended to read:
13 (f) Interest on a loan given under AS 14.43.090 - 14.43.160 is
14 at the rate of eight [FIVE] percent a year unless the loan is in
15 default. Interest on a loan that is in default is 10 percent a year
16 for the period the loan is in default.
17 * Sec. 2. AS 14.43.120(k) is amended to read:
18 (k) Periodic installments of principal shall be deferred, but
19 interest shall accrue and be paid unless the student is eligible for
20 interest payment benefits under (1) of this section during any of the
21 following:
22 (1) return to student status as provided in (c) of this
23 section;
24 (2) serving an initial period of up to six years on active
25 duty as a member of the armed forces of the United States;
26 (3) serving, for up to three years, as a full-time volun-
27 teer under the Peace Corps Act;
28 (4) serving, for up to three years, as a full-time volun-
29 teer under the Domestic Volunteer Service Act of 1973;
30 (5) for a one-time period up to 12 months in which the

1 borrower is seeking and unable to find employment in the United
2 States; or

3 (6) if the borrower becomes 50 percent or more disabled as
4 certified by competent medical authority.

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 AS 14.43.125 is repealed and reenacted to read:

6 Sec. 14.43.125. ELIGIBILITY OF STUDENTS. (a) A person may
7 apply for and obtain a scholarship loan if the person

8 (1) is

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

11 (B) a graduate of a high school or the equivalent, or
12 scheduled for graduation from a high school within six months,
13 with sufficient credits to be admitted to a career education
14 program or to an accredited college or university;

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

17 (3) is a resident of the state at the time of application
18 for the loan; for purposes of this section, a person qualifies as a
19 resident of the state if at the time of application for the loan the
20 person

21 (A) has been physically present in the state for at
22 least two years immediately before the time of application for
23 the loan;

24 (B) is dependent on a parent or guardian for care, the
25 parent or guardian has been present in the state for at least two
26 years immediately before the time of application for the loan and
27 the person has been present in the state for at least one year of
28 the immediately preceding five years except that the commission
29 may by a two-thirds vote, acting upon a written appeal by the

1 person, grant an exemption to the requirement that the person has
2 been present in the state for one year of the immediately preced-
3 ing five years;

4 (C) has been physically present in the state, or is a
5 dependent of a parent or guardian who has been physically present
6 in the state, for at least two years immediately before the
7 applicant was absent from the state and the absence is due solely
8 to

9 (i) serving an initial period of up to six years
10 on active duty as a member of the armed forces of the United
11 States;

12 (ii) serving, for up to three years, as a full-
13 time volunteer under the Peace Corps Act;

14 (iii) serving, for up to three years, as a full-
15 time volunteer under the Domestic Volunteer Service Act of
16 1973;

17 (iv) required medical care for the applicant or
18 the applicant's immediate family;

19 (v) being a person who otherwise qualifies as a
20 resident and is accompanying a spouse who qualifies as a
21 resident under (i) - (iv) of this paragraph; or

22 (D) has been physically present in the state, or is a
23 dependent of a parent or guardian who has been physically present
24 in the state, for at least two years immediately before the
25 applicant or the parent or guardian was absent from the state and
26 the absence is due solely to

27 (i) participating in a foreign exchange student
28 program recognized by the commission;

29 (ii) attending a school as a full-time student;

1 (iii) full-time employment by the state;
2 (iv) being a member of or employed full-time by
3 the state's congressional delegation;
4 (v) being a person who otherwise qualifies as a
5 resident and is accompanying a spouse who qualifies as a
6 resident under (i) - (iv) of this paragraph.
7 (b) A person does not qualify as a resident of the state under
8 this section if the person declares or establishes residence in another
9 state during an absence from Alaska.
10 * Sec. 4. AS 14.43.120(j), (o), and (p) are repealed.
11 * Sec. 5. Section 4 of this Act takes effect September 1, 1990.
12 * Sec. 6. Section 1 of this Act takes effect July 1, 1985.
13 * Sec. 7. Sections 2 and 3 of this Act take effect immediately in
14 accordance with AS 01.10.070(c).