

Offered: 5/9/85
Referred: Finance

Original sponsor: Binkley

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 161 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the interest rate, loan condi-
7 tions and repayment provisions of scholarship loans;
8 and providing for an effective date."

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

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

11 (f) Interest on a loan given under AS 14.43.090 - 14.43.160 is
12 at the rate of eight [FIVE] percent a year unless the loan is in
13 default. Interest on a loan that is in default is 10 percent a year
14 for the period the loan is in default.

15 * Sec. 2. AS 14.43.120(g) is amended to read:

16 (g) Repayment of the principal and interest on the loan begins
17 no later than six months [ONE YEAR] after the borrower's studies are
18 terminated. The loan shall provide for repayment of the total amount
19 owed in periodic installments in not more than 10 years from the
20 commencement of repayment, except as provided in (k) and (m) of this
21 section. Interest shall accrue as provided in (f) of this section,
22 but the borrower shall be allowed to repay the loan at a five percent
23 interest rate for the first three years of the repayment period, with
24 the extra accrued interest to be paid in later years. If the commis-
25 sion and the borrower agree to a different repayment schedule, the
26 borrower shall repay the loan in accordance with the agreement. A
27 borrower may make payments earlier than required by this subsection.

28 * Sec. 3. This Act takes effect July 1, 1985.