

Offered: 4/1/86  
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 (2d HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND 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 is amended by adding a new section to read:

11 Sec. 14.43.103. FEDERAL ASSISTANCE. A scholarship loan may only  
12 be granted to an applicant who submits with the application informa-  
13 tion required by regulation of the commission necessary to determine  
14 whether the applicant qualifies for financial assistance from the  
15 federal government.

16 \* Sec. 2. AS 14.43.110 is amended to read:

17 Sec. 14.43.110. UNDERGRADUATE LOANS. The student financial aid  
18 committee may make a loan, not to exceed \$5,500 [\$6,000] in any one  
19 school year, to an undergraduate student eligible under AS 14.43.125.  
20 The committee may make a loan for a summer term, even if the total  
21 loan for the school year exceeds the \$5,500 [\$6,000] maximum, if the  
22 loan for the summer term is counted against the \$5,500 [\$6,000] maxi-  
23 mum for the following school year.

24 \* Sec. 3. AS 14.43.115 is amended to read:

25 Sec. 14.43.115. GRADUATE LOANS. The student financial aid  
26 committee may make a loan, not to exceed \$6,500 [\$7,000] in any one  
27 school year, to a graduate student who is eligible under AS 14.43.125  
28 and is pursuing an advanced degree. The committee may make a loan for  
29 a summer term, even if the total loan for the school year exceeds the

1     \$6,500 [\$7,000] maximum, if the loan for the summer term is counted  
2     against the \$6,500 [\$7,000] maximum for the following school year.

3     \* Sec. 4. AS 14.43.120(b) is amended to read:

4             (b) Scholarship [THE] loans may only be used to attend a  
5                     (1) career education program that has been approved by the  
6                     commission before July 1, 1986, or has been operating for at least two  
7                     years before the borrower attends; or

8                     (2) [A] college or university that  
9                             (A) has been approved by the commission before July 1,  
10                            1986, or has been operating for at least two years before the  
11                            borrower attends;

12                            (B) is accredited by a national or regional accredita-  
13                            tion association recognized by the Council on Postsecondary  
14                            Accreditation or is approved by the commission; [,] and [,]

15                            (C) if the loans are federally insured, is approved by  
16                            the United States Commissioner of Education.

17     \* Sec. 5. AS 14.43.120(f) is amended to read:

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

22     \* Sec. 6. By January 31, 1987, the Alaska Commission on Postsecondary  
23     Education shall submit a report to the legislature containing recommenda-  
24     tions for changes relating to interest rate, loan conditions, and repayment  
25     provisions designed to decrease the cost of the scholarship loan program.

26     \* Sec. 7. This Act takes effect July 1, 1986.