

Offered: 4/28/86
Referred: Rules

Original sponsor: Binkley

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

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SENATE CS FOR CS FOR HOUSE BILL NO. 161 (Finance)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to the interest rate, loan condi-

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tions and repayment provisions of scholarship loans;

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and providing for an effective date."

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

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* Section 1. AS 14.43.110 is amended to read:

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Sec. 14.43.110. UNDERGRADUATE LOANS. The student financial aid

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committee may make a loan, not to exceed \$5,500 [\$6,000] in any one

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school year, to an undergraduate student eligible under AS 14.43.125.

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The committee may make a loan for a summer term, even if the total

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loan for the school year exceeds the \$5,500 [\$6,000] maximum, if the

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loan for the summer term is counted against the \$5,500 [\$6,000] maxi-

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imum for the following school year.

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* Sec. 2. AS 14.43.115 is amended to read:

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Sec. 14.43.115. GRADUATE LOANS. The student financial aid

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committee may make a loan, not to exceed \$6,500 [\$7,000] in any one

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school year, to a graduate student who is eligible under AS 14.43.125

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and is pursuing an advanced degree. The committee may make a loan for

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a summer term, even if the total loan for the school year exceeds the

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\$6,500 [\$7,000] maximum, if the loan for the summer term is counted

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against the \$6,500 [\$7,000] maximum for the following school year.

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

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(b) Scholarship [THE] loans may only be used to attend a

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(1) career education program that has been approved by the

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commission before July 1, 1986, or has been operating for at least two

1 years before the borrower attends; or

2 (2) [A] college or university that

3 (A) has been approved by the commission before July 1,
4 1986, or has been operating for at least two years before the
5 borrower attends;

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

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

11 * Sec. 4. AS 14.43.120(f) is amended to read:

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

16 * Sec. 5. By January 31, 1987, the Alaska Commission on Postsecondary
17 Education shall submit a report to the legislature containing recommenda-
18 tions for changes relating to interest rate, loan conditions, and repayment
19 provisions designed to decrease the cost of the scholarship loan program.

20 * Sec. 6. This Act takes effect July 1, 1986.