

Introduced: 2/8/85
Referred: House Special Committee on
State Loans, Health, Education &
Social Services and Finance

BY KOPONEN, GOLL, SUND,
TAYLOR, HURLEY, NAVARRE,
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BOUCHER

1 IN THE HOUSE

2 HOUSE BILL NO. 185

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 student loans; and providing for
7 an effective date."

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

9 * Section 1. AS 14.43.120(k) is amended to read:

10 (k) Periodic installments of principal shall be deferred, but
11 interest shall accrue and be paid unless the student is eligible for
12 interest payment benefits under (l) of this section during any of the
13 following:

14 (1) return to student status as provided in (c) of this
15 section;

16 (2) serving an initial period of up to six years on active
17 duty as a member of the armed forces of the United States;

18 (3) serving, for up to three years, as a full-time volun-
19 teer under the Peace Corps Act;

20 (4) serving, for up to three years, as a full-time volun-
21 teer under the Domestic Volunteer Service Act of 1973;

22 (5) for a one-time period up to 12 months in which the
23 borrower is seeking and unable to find employment in the United
24 States; or

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

27 * Sec. 2. AS 14.43.125 is repealed and reenacted to read:

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

1 (1) is
2 (A) enrolled as a full-time student in a career educa-
3 tion, associate, baccalaureate, or graduate degree program; or
4 (B) a graduate of a high school or the equivalent, or
5 scheduled for graduation from a high school within six months,
6 with sufficient credits to be admitted to a career education
7 program or to an accredited college or university;
8 (2) is not delinquent or in default on a previously awarded
9 scholarship loan; and
10 (3) is a resident of the state at the time of application
11 for the loan; for purposes of this section, a person qualifies as a
12 resident of the state if at the time of application for the loan the
13 person
14 (A) has been physically present in the state for at
15 least two years immediately before the time of application for
16 the loan;
17 (B) is dependent on a parent or guardian for care, the
18 parent or guardian has been present in the state for at least two
19 years immediately before the time of application for the loan and
20 the person has been present in the state for at least one year of
21 the immediately preceding five years; or
22 (C) 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 being
25 absent from the state and the absence is due solely to
26 (i) military service;
27 (ii) volunteer service under the Peace Corps Act;
28 (iii) volunteer service under the Domestic Volun-
29 teer Service Act of 1973;

- 1 (iv) participating in a foreign exchange student
2 program recognized by the commission;
3 (v) attending a school as a full-time student;
4 (vi) full-time employment by the state;
5 (vii) being a member of or employed full-time by
6 the state's congressional delegation;
7 (viii) required medical care for the applicant or
8 the applicant's immediate family; or
9 (ix) being a person who otherwise qualifies as a
10 resident and is accompanying a spouse who qualifies as a
11 resident under (i) - (viii) of this paragraph.

12 (b) A person does not qualify as a resident of the state under
13 this section if the person declares or establishes residence in another
14 state during an absence from Alaska.

15 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).