

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

Original sponsors: Koponen, Goll,  
Sund, et al

BY THE HOUSE SPECIAL COMMITTEE  
ON STATE LOANS

1 IN THE HOUSE

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CS FOR HOUSE BILL NO. 185 (Loans)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to the maximum loan amounts, eli-  
gibility requirements, and conditions of scholarship  
loans; 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 committee may make a  
loan, not to exceed \$6,000 in any one school year, to an undergraduate  
student eligible under AS 14.43.125. The committee may make a loan  
for a summer term, even if the total loan for the school year exceeds  
the \$6,000 maximum, if the loan for the summer term is counted against  
the \$6,000 maximum 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 committee may make a loan,  
not to exceed \$7,000 in any one school year, to a graduate student who  
is eligible under AS 14.43.125 and is pursuing an advanced degree.  
The committee may make a loan for a summer term, even if the total  
loan for the school year exceeds the \$7,000 maximum, if the loan for  
the summer term is counted against the \$7,000 maximum for the follow-  
ing school year.

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

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

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

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

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

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

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

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

14 \* Sec. 4. AS 14.43.125 is repealed and reenacted to read:

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

17 (1) is

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

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

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

26 (3) is a resident of the state at the time of application  
27 for the loan; for purposes of this section, a person qualifies as a  
28 resident of the state if at the time of application for the loan the  
29 person

1 (A) has been physically present in the state for at  
2 least two years immediately before the time of application for  
3 the loan;

4 (B) is dependent on a parent or guardian for care, the  
5 parent or guardian has been present in the state for at least two  
6 years immediately before the time of application for the loan and  
7 the person has been present in the state for at least one year of  
8 the immediately preceding five years except that the commission  
9 may by a two-thirds vote, acting upon a written appeal by the  
10 person, grant an exemption to the requirement that the person has  
11 been present in the state for one year of the immediately preced-  
12 ing five years;

13 (C) has been physically present in the state, or is a  
14 dependent of a parent or guardian who has been physically present  
15 in the state, for at least two years immediately before the  
16 applicant was absent from the state and the absence is due solely  
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18 (i) serving an initial period of up to six years  
19 on active duty as a member of the armed forces of the United  
20 States;

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

23 (iii) serving, for up to three years, as a full-  
24 time volunteer under the Domestic Volunteer Service Act of  
25 1973;

26 (iv) required medical care for the applicant or  
27 the applicant's immediate family;

28 (v) being a person who otherwise qualifies as a  
29 resident and is accompanying a spouse who qualifies as a

1 resident under (i) - (iv) of this paragraph; or

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

7 (i) participating in a foreign exchange student  
8 program recognized by the commission;

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

10 (iii) full-time employment by the state;

11 (iv) being a member of or employed full-time by  
12 the state's congressional delegation;

13 (v) being a person who otherwise qualifies as a  
14 resident and is accompanying a spouse who qualifies as a  
15 resident under (i) - (iv) of this paragraph.

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

19 \* Sec. 5. AS 14.43.160 is amended by adding a new paragraph to read:

20 (9) "summer term" means the period from June 1 - August 31.

21 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
22 10.070(c).