

Introduced: 2/17/86
Referred: House Special Committee on
State Loans, Health, Education &
Social Services and Finance

BY KOPONEN, HURLEY AND
GOLL

1 IN THE HOUSE

2 HOUSE BILL NO. 668

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 scholarship loans for part-time
7 students; and providing for an effective date."

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

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

10 (a) Proceeds from a scholarship loan to a full-time student
11 [LOANS] may only be used for books, tuition and required fees, and for
12 room and board. Proceeds from a scholarship loan to a part-time
13 student may only be used for books and tuition and required fees.

14 * Sec. 2. AS 14.43.120(c) is amended to read:

15 (c) To maintain a loan awarded to a full-time student the stu-
16 dent must continue to be enrolled as a full-time student in good
17 standing in a career education program, college, or university that
18 meets the requirements [DESIGNATED] under (b) of this section. To
19 maintain a loan awarded to a part-time student the student must con-
20 tinue to be enrolled as a part-time or full-time student in good
21 standing in a career education program, college, or university that
22 meets the requirements under (b) of this section. The commission
23 shall adopt regulations defining "good standing" for purposes of this
24 subsection.

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

26 (k) Periodic installments of principal shall be deferred, but
27 interest shall accrue and be paid unless the borrower [STUDENT] is
28 eligible for interest payment benefits under (l) of this section,
29 during any of the following periods:

1 (1) return to full-time or part-time student status in good
2 standing in a career education program, college, or university that
3 meets the requirements under (b) of this section [AS PROVIDED IN (c)
4 OF THIS SECTION];

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

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

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

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

14 (6) during the period of disability if the borrower becomes
15 50 percent or more disabled as certified by competent medical author-
16 ity.

17 * Sec. 4. AS 14.43.125(a) is amended to read:

18 (a) A person may apply for and obtain a scholarship loan if the
19 person

20 (1) is

21 (A) enrolled as a full-time student or part-time
22 student in a career education, associate, baccalaureate, or
23 graduate degree program; or

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

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

1 (3) is a resident of the state at the time of application
2 for the loan; for purposes of this section, a person qualifies as a
3 resident of the state if at the time of application for the loan the
4 person

5 (A) has been physically present in the state for at
6 least two years immediately before the time of application for
7 the loan;

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

17 (C) has been physically present in the state, or is a
18 dependent of a parent or guardian who has been physically present
19 in the state, for at least two years immediately before the
20 applicant was absent from the state and the absence is due solely
21 to

22 (i) serving an initial period of up to six years
23 on active duty as a member of the armed forces of the United
24 States;

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

27 (iii) serving, for up to three years, as a full-
28 time volunteer under the Domestic Volunteer Service Act of
29 1973;

1 (iv) required medical care for the applicant or
2 the applicant's immediate family;

3 (v) being a person who otherwise qualifies as a
4 resident and is accompanying a spouse who qualifies as a
5 resident under (i) - (iv) of this paragraph; or

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

11 (i) participating in a foreign exchange student
12 program recognized by the commission;

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

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

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

17 (v) being a person who otherwise qualifies as a
18 resident and is accompanying a spouse who qualifies as a
19 resident under (i) - (iv) of this paragraph.

20 * Sec. 5. AS 14.43.160 is amended by adding new paragraphs to read:

21 (7) "committee" means the student financial aid committee
22 established under AS 14.43.095;

23 (8) "part-time student" means an undergraduate or career
24 education student who

25 (A) is enrolled and is in regular attendance at
26 classes at one or more public or private institutions of higher
27 education for less than the semester hours of credit required for
28 a full-time student; and

29 (B) the committee determines to be in need of

1 financial assistance.

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