

1 IN THE HOUSE

BY LARSON AND MENARD

2 HOUSE BILL NO. 131

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to forgiveness of student loans."

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

8 * Section 1. AS 14.43.120(j) is amended to read:

9 (j) A portion of a loan shall be paid on behalf of the borrower
10 by the state if, upon completion of the course of study for which the
11 loan was granted, the borrower is a resident of the state for at least
12 two years. The maximum portion of the loan paid by the state is 10
13 percent if the course of study was one school year or less, 20 percent
14 if the course of study was at least two school years, 30 percent if
15 the course of study was at least three school years, 40 percent if the
16 course of study was at least four school years, and 50 percent if the
17 course of study was at least five school years. The portion of the
18 loan that shall be paid by the state is the following percentages of
19 the total loan received plus interest, subject to the maximums for the
20 borrower's course of study [UP TO A TOTAL OF 50 PERCENT OF THE TOTAL
21 LOAN]:

- 22 (1) two - three years residence in the state, 10 percent;
- 23 (2) three - four years residence in the state, an addi-
24 tional 10 percent;
- 25 (3) four - five years residence in the state, an additional
26 10 percent;
- 27 (4) five - six years residence in the state, an additional
28 10 percent;
- 29 (5) over six years residence in the state, an additional 10

1 percent.

2 * Sec. 2. AS 14.43.160 is amended by adding a new paragraph to read:

3 (7) "course of study" means a program or sequence of
4 courses that leads to a certificate or degree.

5 * Sec. 3. Notwithstanding AS 14.43.120(j), as amended by sec. 1 of this
6 Act, an eligible applicant who has an outstanding scholarship loan and has
7 not completed the course of study for which that loan was made by the
8 effective date of this Act, may continue to receive loans to complete that
9 course of study under the terms of AS 14.43.120(j) as it existed before the
10 effective date of this Act.