

Original sponsor(s): REP. LEMAN, Furnace, Hanley, Sharp, Hudson

1 IN THE HOUSE BY THE HESS COMMITTEE
2 CS FOR HOUSE BILL NO. 370 (HESS)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to conditions of scholarship loans;
7 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 is amended by adding new subsections to read:
10 (s) A portion of a loan shall be considered a grant if the loan
11 was made after July 1, 1971, and before July 1, 1987, and if, after
12 completion of the course of study for which the loan was received, the
13 borrower is a resident of the state for at least two years. The
14 portion of the loan that shall be considered a grant is based on the
15 following percentages of the principal amount of the loan plus inter-
16 est up to a total of 50 percent of the total indebtedness:
17 (1) two - three years residence in the state, 10 percent;
18 (2) three - four years residence in the state, an addition-
19 al 10 percent;
20 (3) four - five years residence in the state, an additional
21 10 percent;
22 (4) five - six years residence in the state, an additional
23 10 percent;
24 (5) over six years residence in the state, an additional 10
25 percent.
26 (t) A person who became eligible or who received forgiveness for
27 a loan, on or after January 1, 1987, and before January 1, 1990, may
28 elect to defer the forgiveness or may rescind an application for
29 forgiveness that has been approved. A person may defer forgiveness of

1 a loan for up to five years.

2 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).