

SENATE BILL NO. 75
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR KERTTULA

Introduced: 1/22/91
Referred: HESS and Finance

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to reimbursement of scholarship loans; and providing for an effective
2 date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 14.43.120 is amended by adding new subsections to read:

5 (s) A portion of a loan shall be reimbursed to the borrower by the state if, after
6 completion of the course of study for which the loan was granted, the borrower is a resident of
7 the state and has fully repaid the entire principal and interest due on the loan. The portion of
8 the loan that shall be reimbursed by the state is based on the length of the borrower's residence
9 in the state after completion of the course of study for which the loan was granted and on the
10 following percentages of the principal amount of the loan plus interest up to a total of 50 percent
11 of the total indebtedness:

12 (1) at least two, but less than three years residence in the state, 10 percent;

13 (2) at least three, but less than four years residence in the state, an additional 10
14 percent;

- 1 (3) at least four, but less than five years residence in the state, an additional 10
2 percent;
3 (4) at least five, but less than six years residence in the state, an additional 10
4 percent;
5 (5) six years or more residence in the state, an additional 10 percent.

6 (t) Reimbursement under (s) of this section is subject to appropriation by the legislature.
7 Money obtained from the sale of bonds by the Student Loan Corporation under AS 14.42.220
8 may not be appropriated for the reimbursement of loans.

9 * Sec. 2. This Act applies to principal and interest due on a loan entered into on or after July 1, 1987,
10 that is unpaid as of the effective date of this Act.

11 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).