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1977

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: SB 197
 Title: An Act Re: Scholarship Loans
 Sponsor: Senator Josephson
 Requestor: Senate HESS

II. FISCAL DETAIL

Agency Affected: Education
 Program Category Affected: Postsecondary Comm.
 BRU, Program of Subprogram(s) Affected: Student Loan Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING						
CAPITAL	N.A.	-0-	-0-	(93.5)	(372.5)	(1,562.8)
REVENUE				93.5	372.5	1,562.8

FUNDING: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND	N.A.	-0-	-0-	(93.5)	(372.5)	(1,562.8)
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Kerry D. Romesburg Phone: 465-2854
 Division: Commission on Postsecondary Education Date: 3/24/83

Approved by Commissioner: _____ Date: _____
 Department: _____

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

3/8/83

IV. ANALYSIS


a. Raising interest from 5% to 8%

FY 84	\$	-0-	FY 87	\$	372.5
FY 85		-0-	FY 88		1,562.8
FY 86		93.5	FY 89		3,210.2

b. Application deadline would have some impact, but this cannot be determined.

c. Restriction on vocational loans would have a fiscal impact, but only if the designated committee chose to impose the restrictions -- hence no fiscal impact is assumed -- it could be as much as \$2,600,000 in FY 84.

Suggested Addition to Proposed Loan Legislation

 AS 14.43.120(k)(2) is amended to read:

(2) serving a first enlistment period of up to four years on active duty as a member of the armed forces of the United States;

*This is not a
good commercial
for the program!*

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 197 Date on Bill: 3-22-83
 Title: An Act relating to Scholarship Loans
 Sponsor: Senator Josephson
 Requestor: Senate HESS

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital	N.A.	0	0	(93.5)
Operating				
Total	N.A.	0	0	(93.5)

b. Revenues:

Revenue				93.5
---------	--	--	--	------

2. Source of funds to offset fiscal impact of bill:

N.A.

3. Assumptions:

a. Raising interest from 5% to 8%.

FY 84	0	FY 87	\$ 372.5
FY 85	0	FY 88	1,562.8
FY 86	\$ 93.5	FY 89	3,210.2

b. Application deadline would have some impact, but this cannot be determined.

c. Restriction on vocational loans would have a fiscal impact, but only if the designated committee chose to impose the restrictions - hence no fiscal impact is

4. Disclaimer: assumed -- it could be as much as \$2,600,000 in FY 84.
 This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Kerry D. Pomesburg Phone: 465-2854
 Division: Postsecondary Education Commission Date: 3/23/83

Approved by Commissioner: _____ Date: _____
 Department: _____

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/15/83

Alaska Student Loan Parent Committee

After spending several meetings learning about the Alaska Student Loan Program and meeting with various legislators, the parent group has emerged with positive feelings about the new Alaska Student Loan Program booklet which has been developed for wide spread distribution. The credibility of the program is good and the Post Secondary Commission has been responsive in organizing information. Several legislators have also been open, helpful and generous in their time with this group. We congratulate the Alaska State Legislature for giving us the best student loan program in the nation.

Our committee stance is decidedly positive and within that process, we have developed some general statements)

1. We encourage strong parental involvement in the Educational State Loan Program. Certainly, it should be stressed that the loan is payable and there is a strong responsibility to complete repayment promptly.
2. Actuarial studies are requested that can show us how the loan monies can become "a revolving fund". We want this program to become a solvent fund.
3. The Alaska Student Loan Fund should not be discriminatory in any way. In other words, it must not be tied to "need". The way the formula acts now is giving support to all Alaskans.
4. Our concern is not just with the present group of young students but also with the generations to come.
5. We urge that the present facts on loan defaults and fraudulent use of the loans be published. It is important that the public understand that there is a full time staff following through on default loans and that 93 court cases have been decided in favor of the state. We believe that the media be fully utilized in dealing with misconceptions on present use of the loan funds and that a positive educational campaign be established.
6. We believe that the dispersement of the loans be tightened and that educational institutions use a standardized procedure.
7. We urge a local office be established in Anchorage to allay the frustration when obtaining information about individual loans.

STATE OF ALASKA

AUDIT DIVISION
POUCH W
JUNEAU, ALASKA 99811

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

February 3, 1983

Kerry D. Romesburg
Executive Director
Postsecondary Education Commission
Pouch F
Juneau, AK 99811

Dear Mr. Romesburg:

The Legislative Budget and Audit Committee is concerned with certain "loopholes" that exist in current regulations governing loans made under the State's Scholarship Loan Program. In particular, the Committee is concerned that students may enroll for classes, receive their loans, and then subsequently withdraw from classes or school without receiving some sort of penalty or sanction.

For example, consider the following situation. Having received a \$3,000 student loan for his first semester of college, a student attends registration and enrolls for 12 semester credit hours. He then reports to the appropriate college personnel and receives his loan proceeds, less that portion retained by the college to cover tuition fees. Subsequent to registration, the student withdraws from school. At this point he may or may not be eligible for a complete or partial refund of tuition fees, depending on how far along he is in the semester. In any event, the student withdraws from school and retains funds that were intended to be used for tuition, books, room and board, but that now can be used any way he sees fit. Under current regulations, the ex-student is required to notify the Postsecondary Education Commission of his withdrawal from school, but there is no provision for any type of sanction - rather, the loan will still be due for payment at 5% over 10 years.

The Committee believes that situations similar to that described above do occur, and perhaps with some frequency. This is of concern to us because it was never the intention of the Alaska student loan program to provide low-interest, long-term loans for any purpose other than education.

Kerry D. Romesburg
February 3, 1983
Page 2

Therefore, it is this Committee's recommendation that the Postsecondary Education Commission develop regulations and modify promissory note language to make students who lose their good standing without showing good cause (as defined in 20AAC 15.085(16)) subject to sanctions. Specifically, the Committee recommends that these sanctions involve escalation of loan payments, loss of any forgiveness payments that may otherwise have been provided under AS 14.43.120(j), and increased interest rates in line with market values.

We believe it is necessary to develop and implement such sanctions as soon as possible, and look forward to your response in this regard.

Sincerely,



Bob Bettisworth
Chairman
Legislative Budget
and Audit Committee

SEC. 4 OF SB197

~~ALASKA STUDENT LOAN PROGRAM~~
~~Proposed Regulation Change~~
~~(December, 1982)~~

Proposed Change

Amend ~~20 AAC 15.025~~ to read:
Section 14.43.120

~~20 AAC 15.025~~. Priority Ranking of applicants. (a) Upon receipt of a completed application for collegiate study, an applicant will be assigned priority points based upon the schedule set out in part (b) of this section.

(b) Each applicant for a loan for collegiate attendance will be assigned priority points based upon student status and state of attendance, according to the following schedule:

- (1) student status (during loan period):
 - (A) continuing undergraduate or graduate students with existing Alaska student loans for the previous school year or term . . . 6 points
 - (B) remaining senior students 5 points
 - (C) remaining junior students 4 points
 - (D) remaining sophomore students 3 points
 - (E) remaining freshman students 2 points
 - (F) remaining graduate students 1 point
- (2) students attending colleges or universities in Alaska . . 1 point

November 1st

(c) Completed applications for collegiate study will be grouped according to those received by ~~February 15th~~ and then in monthly lots thereafter and will be processed in that monthly grouping according to priority point accumulation. Those applicants receiving the highest priority point accumulation within a grouping will be processed first and those receiving the lowest priority point accumulation within a grouping will be processed last. In the case of equal point accumulation within a group, priority will be based upon the earliest date of receipt of the completed application.

(d) Completed applications for non-collegiate study will be processed in the order of receipt of the application in the loan office.

Discussion

Loans are currently processed upon a first-come first-served basis. This has worked fine up until now, however, as funds tighten and demand increases, this method may lead to inequity. The proposed priority system is based largely upon what the legislature had established in AS 14.40.767. That which is omitted is the point assignment for Alaska residence and longevity. (The Attorney General has agreed with the Address contention that such a system would be unconstitutional.)

It should be noted that all other things being equal, a loan will be awarded for in-state attendance before out-of-state.

Also - You need to consider the effective date of the bill. Section 3 should have an effective date of July 1, 1983 for all loans awarded for 1984-85 or later. (Otherwise we create an impossible criterion for the 1983-84 school year.)
The other sections can be effective immediately - it will require amending current promissory notes (for 8% interest), but that is all.

Introduced: 3/22/83
Referred: Health, Education and
Social Services and
Finance

*84-85 sub. 10
effective date
amended by
system adopted
by regulations
language addressed
or repeal:
14.43.130*

1 IN THE SENATE

BY JOSEPHSON

2 SENATE BILL NO. 197

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the scholarship loan program."

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

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

9 (c) To maintain a loan the student must continue to be enrolled
10 as a full-time student in good standing or as a part-time student in
11 good standing in more than one institution for a total number of
12 hours or credits equivalent to a full-time student in a career educa-
13 tion program, college or university designated under (b) of this
14 section. The commission shall adopt regulations defining "good stand-
15 ing" for purposes of this subsection.

16 * Sec. 2. AS 14.43.120(f) is amended to read:

17 (f) Interest on a loan made [GIVEN] under AS 14.43.090 - 14.43.-
18 160 is at the rate of eight [FIVE] percent a year.

19 * Sec. 3. AS 14.43.125 is amended by adding a new subsection to read:

20 (c) An application for a scholarship loan must be filed no later
21 than January 1 of the year for which the application is made.

22 * Sec. 4. AS 14.43.130 ~~is amended to read:~~ *Repealed*

23 Sec. 14.43.130. SELECTION CRITERIA. (a) The selection commit-
24 tee shall grant loans based on total point accumulations under the
25 subsection with priority going to those applicants with the highest
26 point accumulations [, EXCEPT AS PROVIDED IN (b) OF THIS SECTION FOR
27 LOAN APPLICATIONS COMPLETED BEFORE MAY 15 OF EACH YEAR]. Points shall
28 be awarded to applicants based upon student status and continuous
29 Alaskan residency, according to the following schedule:

*This section
unamended.*

1 (1) student status:

- 2 (A) continuing undergraduate and graduate students
- 3 with existing Alaska scholarship loans 4 points
- 4 (B) continuing undergraduate and graduate students
- 5 without existing Alaska scholarship loans 3 points
- 6 (C) freshmen 2 points
- 7 (D) new graduate students without existing Alaska
- 8 scholarship loans 1 point

9 (2) continuous Alaskan residency:

- 10 (A) students with continuous Alaskan residency of 10
- 11 years or more 3 points
- 12 (B) students with continuous Alaskan residency of at
- 13 least 5 years and less than 10 years 2 points
- 14 (C) students with continuous Alaskan residency of more
- 15 than 2 years and less than 5 years 1 point

16 (3) students attending Alaska colleges or universities

17 1 point

18 (b) In awarding loans the selection committee shall award loans
19 to applicants based upon the earliest date of completed applications
20 if

21 [(1)] the applicant has accumulated at least 5 points under
22 (a) of this section [; AND

23 (2) THE APPLICANT HAS FILED A COMPLETED APPLICATION NOT
24 LATER THAN MAY 15 OF THE YEAR FOR WHICH THE LOAN IS REQUESTED].

25 * Sec. 5. AS 14.43 is amended by adding a new section to read:

26 Sec. 14.43.150. LIMITS ON CAREER EDUCATION LOANS. (a) The
27 committee may not approve more than 100 scholarship loans for students
28 in a career education program in a single vocational field each year
29 unless a three member panel consisting of the executive director of

1 the Alaska commission on postsecondary education, the commissioner of
2 commerce and economic development, and the commissioner of labor
3 certify to the commission on postsecondary education that there is an
4 anticipated need in the state within the following decade requiring
5 the training of more than 75 students each year in that vocational
6 field.

7 (b) If certification is made to the commission on postsecondary
8 education as specified in (a) of this section, the committee may
9 approve loans in excess of 100 each year only to the extent recom-
10 mended by the panel under (a) of this section.
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ALASKA STATE LEGISLATURE

INTERIM OFFICE:
P.O. BOX 81435
FAIRBANKS, ALASKA 99708

IN SESSION:
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4830/4841



CHAIRMAN
1983 INTERIOR DELEGATION

MEMBER
TRANSPORTATION
HEALTH, EDUCATION AND SOCIAL SERVICES
LABOR SUBCOMMITTEE
JOINT OIL AND GAS
RURAL EDUCATION ATTENDANCE AREAS

Representative Mike Davis
House District 19

MEMORANDUM

To: Nancy Dietrich

From: Rep. Mike Davis

Date: March 23, 1983

Re: Senate Bill 197

Dear Nancy,

I am pleased that Sen. Josephson's scholarship loan bill includes provisions for students attending more than one school. I hope that the enclosed back-up materials are helpful for you.



University of Alaska, Juneau

11120 Glacier Highway

Juneau, Alaska

99801

(907) 789-2101

To: Chancellor Paradise

FEB 15 1983

From: Dianne Schmitt, Financial Aid Officer *DS*

Chancellor

Date: February 15, 1983

University of Alaska, Juneau

RE: LEGISLATION REGARDING THE ALASKA STUDENT LOAN PROGRAM

Senate Bill # 118 reduces the time a student must be in the state before applying for a loan, but also limits loans to students who apply before graduation from high school. The one year residency requirement (reduced from two years) will put a stop to litigation in that area. However, the requirement for all loan applicants to apply while still in high school will be a detriment to the spirit of the loan program and establish a new justification for litigation.

As the UAJ Financial Aid Officer, I must oppose this bill for several reasons. 1) It is sometimes difficult for high school students to decide if they want to go to college. I know there will be many young people who will neglect to fill out the application before high school graduation and later decide to go to college. This bill is asking all seventeen year old students in Alaska to decide their life goal without experiencing life beyond the academic setting. 2) Many students do not consciously choose a career path until several years after high school and after many life experiences. This bill would not afford this type of student the same opportunity as that provided for students who begin college shortly after high school. 3) Many students wait several years after graduation from a baccalaureate program before pursuing graduate study. This bill does not mention graduate study; therefore, I am assuming that it could also be interpreted to eliminate loans for post-baccalaureate students.

House Bill # 56 asks for the loan interest rate to be raised to 7% and for the loan to be limited to the cost of tuition, room and board. This bill is acceptable.

House Bill # 174 says that a student may attend classes at two institutions to accumulate the 12 credits required for the loan program. This bill is acceptable and also beneficial to many of the students in Southeast Alaska.



TANANA VALLEY COMMUNITY COLLEGE
Fairbanks, Alaska 99701

February 17, 1983

Representative Mike Davis
P.O. Box 81435
College, Alaska 99708

Dear Mike:

In regards to HB 174, Tanana Valley Community College supports the bill relative to students who "in total" are enrolled in 12 credits or more which makes them a full-time student within the system.

Sincerely,

Rodney Enos
Campus President

RE/dac



Alaska Statewide Student Association

P.O. BOX 548
DOUGLAS, ALASKA 99824

REPRESENTING STUDENTS OF THE UNIVERSITY OF ALASKA STATEWIDE SYSTEM

ASSA requests that the following section be added to SPONSOR
SUBSTITUTE FOR HOUSE BILL 56:

AS 14.43.120(c) is amended to read:

(c) To maintain a loan the student must continue to be enrolled as a full-time student in good standing or as a part-time student in good standing in more than one institution for a total number of credits equivalent to a full-time student in a career education program, college, or university designated under (b) of this section. The commission shall adopt regulations defining "good standing" for purposes of this subsection.

At present, students enrolled at both UAF and TVCC, UAA and ACC, or Sitka CC and Sheldon Jackson may not receive scholarship loans unless they have a total of twelve credit hours at one or the other institution. This amendment would allow these perfectly legitimate, full-time students to be eligible for the loans.

Thank you.

Mike Davis Office
Pouch V
Juneau, Alaska 99811
ATTN: Jonathan Sperber

January 20, 1983

Mr. Sperber:

Enclosed is my appeal for the Alaska Student Loan Program to reinstate my student loan which was denied for spring semester, 1983. Also attached are copies of forms that support my appeal. Please look these over and give me any help you can.

Much Appreciation...

Kathleen M. Smoyer

KATHLEEN M. SMOYER

P.O. Box 2652

Fairbanks, Alaska 99707

(907) 456-7250



UNIVERSITY OF ALASKA, FAIRBANKS
Fairbanks, Alaska 99701

Smoyer, Kathleen

We are sorry to inform you that you are academically ineligible to receive the following financial aid at the University of Alaska-Fairbanks for the coming semester for the reason listed below:

TYPE OF AID

- | | |
|--|--|
| <input type="checkbox"/> Pell Grant | <input checked="" type="checkbox"/> Alaska Student Loan |
| <input type="checkbox"/> UAF Scholarship/Grant | <input type="checkbox"/> State Educational Incentive Grant |
| <input type="checkbox"/> McIntosh Estate Grant | <input type="checkbox"/> Tuition/Fee Waiver |
| <input type="checkbox"/> Alaska Native Scholarship | <input type="checkbox"/> BIA Grant-In-Aid |
| <input type="checkbox"/> State Room Scholarship | <input type="checkbox"/> Guaranteed Student Loan |
| <input type="checkbox"/> Athletic Grant | <input type="checkbox"/> _____ |

REASON

- You were admitted/readmitted on academic probation.
- You did not meet program requirements for continued eligibility. (Since there are different requirements for various programs, you may be eligible for one type of aid and ineligible for another.)
- You received incomplete or deferred grade(s). These must be removed within 60 days after Registration or the aid will be cancelled.

Please contact our office in writing at least one week prior to Registration if you feel that an error has been made.

Sincerely,

Ida Greiner
Director, Financial Aid

UNIVERSITY OF ALASKA

OFFICIAL GRADE REPORT FOR FALL 82
COLLEGE OF ARTS & SCIENCES

SMOYER KATHLEEN M
574-34-9200

12/29/82

COURSE NUMBER	COURSE TITLE	CREDITS	GRADE
J-B 102 001	BROADCASTING AND SOCIETY	3.0	A
J-B 203 001	BASIC PHOTOGRAPHY	3.0	B
J-B 215 001	AUDIO PRODUCTION	3.0	A
MUS 151MF 001	CLASS LESSONS - VOICE	1.0	B
MUS 161N 101	PRIVATE LESSONS - PERCUSSION	2.0	F
TOTAL		12.0	

EXPLANATION OF GRADING	
GRADE	POINTS PER HOUR
A SUPERIOR	4
B ABOVE AVERAGE	3
C AVERAGE	2
D LOWEST PASSING GRADE	1
F FAILURE	0
AU AUDIT	0
P PASSING	0
S SATISFACTORY	0
DF DEFERRED	0
I INCOMPLETE	0
WF WITHDREW PASSING	0
WF WITHDREW FAILING	0
NS GRADE NOT SUBMITTED	0
W WITHDRAW	0

SMOYER KATHLEEN M
P O BOX 2652
FAIRBANKS

AK 99707

ADVISOR - D GOTTEHRER
MAJOR - JOUR CLASS LEVEL - JUNR
HRS ATT HRS ERN HRS GPA PTS GPA
SEMESTER 12.0 10.0 12.0 36.0 3.00
UA CUM 12.0 10.0 12.0 36.0 3.00

TANANA VALLEY COMMUNITY COLLEGE

OFFICIAL GRADE REPORT FOR FALL 82
TANANA VALLEY COMM COLLEGE

SMOYER KATHLEEN M
574-34-9200

01/15/83

COURSE NUMBER	COURSE TITLE	CREDITS	GRADE
D M 183AT 901	CLASSICAL BALLET, BEG I	1.0	P
O O 146 902	FUNDAMENTALS DATA PROCESSING	3.0	A
TOTAL		4.0	

EXPLANATION OF GRADING	
GRADE	POINTS PER HOUR
A SUPERIOR	4
B ABOVE AVERAGE	3
C AVERAGE	2
D LOWEST PASSING GRADE	1
F FAILURE	0
AU AUDIT	0
P PASSING	0
DF DEFERRED	0
I INCOMPLETE	0
NS GRADE NOT SUBMITTED	0
W WITHDRAW	0
NCR NO CREDIT RECEIVED	0
GEN CONTINUING EDUCATION UNIT	0

SMOYER KATHLEEN M
PO BOX 2652
FAIRBANKS

AK 99707

CLASS LEVEL - UCS
HRS ATT HRS ERN HRS GPA PTS GPA
SEMESTER 4.0 4.0 3.0 12.0 4.00
UA CUM 4.0 4.0 3.0 12.0 4.00
TOT CUM 4.0 4.0 3.0 12.0 4.00

SMOYER KATHLEEN M
574-34-9200

COLLEGE OF ARTS & SCIENCES
SPRING 83

12/29/82

FREN 102	001	ELEMENTARY FRENCH II	5.0	0910-1010AM	MWF	GRUN	302	24473
				0940-1040AM	TR	GRUN	302	
J-B 303	001	INTERMEDIATE PHOTOGRAPHY	3.0	0400-0600PM	R	BUNL	014	27651
J-B 316	001	TELEVISION PRODUCTIONS	3.0	0150-0350PM	M	BUNL	15	27715
				0130-0530PM	W	KUAC		
J-B 400	001	ADVANCED MEDIA PRACTICUM	3.0	0100-0200PM	T	BUNL	14	27839
MUS 123 X	001	APPRECIATION OF MUSIC	3.0	0700-1000PM	W	MUS	309	31496
MUS 151MF	001	CLASS LESSONS - VOICE	1.0	HOURS	ARR			31763
MUS 161N	001	PRIVATE LESSONS - PERCUSSION	2.0	HOURS	ARR			32123

SMOYER KATHLEEN M
P O BOX 2652
FAIRBANKS

AK 99707

20.0 ADVISOR- D GOTTEHRER
MAJOR- JOUR CLASS LEVEL- JUNR

**University of Alaska
STATEMENT OF FEES**

Date Registered 1-19-83
1/15

SPRING 1983

Name EMMER KATHLEEN H U. of A. ID Number 571-31-0000 Birth Date 01/11/60
LAST FIRST

Residency ALASKA-RESIDENT Type 2 Major EDUC Campus FITCHBURG CAMPUS

Phone _____

- FEES

Type of Fee	Code No.	Amount
Meal Ticket		
Residence Hall		
Graduate Fee Hours		
Credit Hour Fee Hours <u>20</u>	<u>DM</u>	<u>300</u>
Non-Resident Tuition Yes () No (M)		
Health Insurance Premium		
Health Center Fee <u>100</u>		
Campus Activity Fee	<u>AP</u>	<u>24</u>
Parking Fee		
Music Fee	<u>100</u>	<u>25</u>
	<u>63</u>	<u>75</u>
Material/Lab Fee <u>Ch-F</u>	<u>77</u>	<u>20</u>
TVCC Material Fee		
Deferred Payment Charge		
Late Registration Charge	<u>11</u>	<u>12.00</u>

AS
Assessor

Total Fees 457.00 (SC)

SCHOLARSHIP AND OTHER CREDITS

Description	*Account Number	Amount
1 005000 -	00000 0774 103010	00000 <u>50</u>
2		
3		
4		
5		

*Must be an FAS no. or an Agency ARID

Total Scholarships 50.00

Net Fee Due 407.00

Total Deferred Payment or (check requested) _____

Cash Received or (disbursed) 407.00

DEFERRED PAYMENT SCHEDULE

Date Due	Amount
1	
2	
3	

CHECK REQUEST MADE

_____ ()

MEMO

Cash _____
 Checks _____
 Total 407.00
 Net Fee Due 407.00
 Overpayment 20.00
 Change 134.00

Fee Statement Auditor

By _____

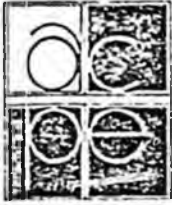
SIGNATURE OF STUDENT

CURRENT MAILING ADDRESS

Cashier

No.

I agree to pay in advance, cash noted above and to pay remaining sum in accordance with the deferred payment schedule until the total principal sum of this obligation has been discharged. Although no interest accrues, I understand, and agree, that in the event of default of payment of any installment upon the date due, a further service charge will be charged against me, and that if I continue in default longer than five (5) days, I will surrender any meal



ALASKA STUDENT LOAN PROGRAM
REQUEST FOR WAIVER OF GOOD STANDING
 Requirements (20 AAC 15.040)

A. Student: <u>Kathleen M. Smoyer</u>		Social Security Number <u>574-34-9200</u>	
Current Mailing Address: Street <u>P.O. Box 2652</u>		City <u>Fairbanks</u>	State <u>Alaska</u>
Institution <u>University of Alaska - Fairbanks</u>		Zip Code <u>99707</u>	

B. I hereby request, for the reasons stated below, waiver of the good standing requirement for an Alaska Student Loan, as provided for in 20 AAC 15.040 (j), (k), and (l).

C. My loan was denied because of my failure to (please check):

- 1. maintain a cumulative C.P.A. of 2.0, undergraduate, or 3.0, graduate
- 2. maintain a term G.P.A. of 1.5, and/or
- 3. successfully complete a full-time student load the last term I borrowed under this program.

D. Reason for request (please check):

- Medical disability
- Death in the immediate family
- Administrative error
- Duress
- Record upon which ineligibility is based is from an attendance period five or more years in the past
- Other (Please explain)

Explanation attached.

E. Detailed explanation. Attach a detailed explanation of your justification for a waiver. Be specific. If you are appealing on a grade point average basis, include what your cumulative average is and how you have performed in the last couple of years (by term). If you are appealing for less than full-time attendance, include how many hours you did complete, how many you failed to successfully complete, and explain. If you are offering a time argument, include why you feel you are now more prepared for school than you were when you established your "ineligible" record. Include documentation. Transcripts may be required, doctor's certification will be required, evidence of administrative error will need verification.

F. SIGNATURE: My signature below certifies that in the absence of a Notary Public or other official authorized to administer an oath, I personally certify under penalty of perjury that the foregoing and accompanying documentation are true.*

Signed <u>Kathleen M. Smoyer</u>	Date <u>Jan 19, 1983</u>
Location: (City and State) <u>Fairbanks, Alaska</u>	

G. Keep one copy for your files, give one copy to your Financial Aid Office, and mail original to:

Alaska Commission on Postsecondary Education
 Division of Student Financial Aid
 Pouch FP
 400 Willoughby Avenue
 Juneau, Alaska 99811

* Under AS 09.63.020(h), a person who makes false sworn certification which he does not believe to be true, under penalty of perjury is guilty of perjury.

Alaska Student Loan Program
Pouch FP, 400 Willoughby
Juneau, Alaska 99811
ATTN: Director

January 19, 1983

This is to appeal the loss of my Alaska Student Loan for spring semester, 1983. It was denied on the grounds that I no longer meet the eligibility requirements. Fall semester, 1982 I took 12 credits at the University of Alaska-Fairbanks, earned 10 of those credits, for a semester GPA of 3.0. I also took 4 credits at T.V.C.C., earned those 4 credits, for a semester GPA of 4.0. I therefore, earned a total of 14 credits for the fall semester of 1982, with my total GPA being somewhere between 3.0 and 4.0

When I went to see the UAF Financial Aid officer, the explanation was I did not complete 12 credits to be classified as a full time student and therefore, could not receive my A.S.L.P. loan this semester. They stated UAF and T.V.C.C. are different and the credit I earn at T.V.C.C. does not count. It is true that I registered at two different places and received two separate grade reports. However, I paid only one tuition (that at UAF). This implies to me they are part of the same system.

With some research, I found that this division between UAF and T.V.C.C. is fairly recent and was told that notices of this were sent to all students, though I never received one. When I called the A.S.L.P. office in Juneau, I was told that they could do nothing unless the UAF Financial Aid office authorized me to receive the check. But when I went to Financial Aid they told me

they (UAF) didn't have the power to change the decision but that A.S.L.P. did. All I have encountered so far is this type of beaurocratic run-around and it is most confusing to me as a student. So I went to see George Winford (advisor and head of UAF Journalism department) who, by the way, supports my appeal. He informed me I could have my T.V.C.C. classes transfered to my UAF transcript, which I have done. It will now show that I have completed 14 credits for the fall semester of 1982.

Under Borrower's Responsibilities on my promissory note it states:

I must maintain good standing, as defined for this program, in order to receive disbursement of my loan under the Alaska Student Loan Program. Good standing is defined as enrolling and completing at least a full-time student load while maintaining a grade-point-average of at least a "C" for an undergraduate or "B" for a graduate student.

It is my interpretation that I did comply with this regulation as worded in Item #8 of promissory note signed 9/7/82, and as my transcript will show.

I have had to borrow the money to pay my fees for this semester but must pay that person back and have no money on which to live. I am an earnest college student and I need my A.S.L.P. loan to continue my education. Therefore, I request that you reinstate my Alaska Student Loan for the spring semester of 1983 on the grounds that I did meet the requirements: completion of 14 credits at a 3.0+ GPA in fall of 1982.

Please review my appeal and let me know immediately of your decision.

Thank you very much for your consideration...

KATHLEEN M. SMOYER (574-34-9200)

STATEMENT OF BORROWER'S RIGHTS AND RESPONSIBILITIES

A STUDENT LOAN IS A SERIOUS LEGAL OBLIGATION. IT IS EXTREMELY IMPORTANT THAT YOU UNDERSTAND YOUR RIGHTS AND RESPONSIBILITIES. WHEN YOU, THE STUDENT BORROWER, SIGN THE REVERSE SIDE OF THIS NOTE IT MEANS THAT (1) YOU UNDERSTAND YOUR RIGHTS AND RESPONSIBILITIES, AND THAT (2) YOU AGREE TO HONOR THEM.

BORROWER'S RIGHTS:

1. The lender must provide me a copy of the completed Promissory Note no later than the time the loan is disbursed and by retaining the Borrower's Copy of this note, I indicate that this right has been fulfilled. The lender must return the original Promissory Note to me when I have paid the loan in full.
2. My yearly and cumulative maximum Alaska Student Loan amounts are:

Category of Borrower	Annual Loan Limit	Aggregate Loan Limit
Undergraduate student	\$6,000	May receive loans up to 5 undergraduate academic school years. May receive loans up to 5 graduate academic school years. (Total years may not exceed 8)
Graduate student	\$7,000	
3. I am not required to provide security for this loan. The lender may require an endorser to sign the Promissory Note only if an endorsement is necessary — because I am under sixteen years of age — to make the Promissory Note a binding obligation under State law.
4. Each loan check must be payable to me. The lender will mail the check to me in care of the Student Financial Aid Office at the school I will be attending and the check will require my endorsement.
5. I have a right to a 12 month "grace period" before the repayment period begins. The grace period starts the first day after I leave school or cease to attend an eligible educational institution on a full-time basis. My first payment will be due no later than the first of the thirteenth month after I leave school or cease to attend school on a full-time basis.
6. The lender is to provide me with a repayment schedule before the repayment period begins. The provisions of this schedule must conform to the provisions under REPAYMENT in the Promissory Note.
7. I will repay this loan in monthly installments within 10 years of the date of commencing repayment. However, the following exceptions to these rules apply:
 - A. If, during the grace period, I request a shorter repayment period, the lender may grant me a shorter period.
 - B. Any period described under DEFERMENT in this Promissory Note will not be included in determining the 10 year period mentioned above.
8. I have a right to prepay the whole loan or any portion of the loan at any time without penalty.
9. If I meet certain requirements, I have a right to defer payment on the loan as set forth under DEFERMENT in the Promissory Note. Also, I have a right to a six month post-deferment grace period after each period of authorized deferment.
10. The Alaska Student Loan Program normally will pay the interest that accrues on the loan both before the repayment period, during any authorized deferment period, and during the six month period following deferment. In that event, the lender may not collect or attempt to collect this interest from me. The interest on the loan may not exceed five percent (5%) per year.
11. My loan obligation will be cancelled if I become fifty percent (50%) or more permanently disabled or if I die.
12. If I am willing, but financially unable to make payments under my repayment schedule, I may request the lender to allow any of the following (forbearance or hardship status):
 - A. A short period during which I make no payments;
 - B. An extension of time for making payment; or
 - C. The making of smaller payments than were scheduled originally.
 However, the lender is not required to approve my request.
13. If the lender sells the loan or otherwise transfers the right to receive payment, I must be sent a clear notification which spells out my obligations to the party to which my loan was sold.
14. Default occurs when I fail to make an installment payment when due, or to meet other terms of the Promissory Note under circumstances where the Alaska Student Loan Program finds it reasonable to conclude that I no longer intend to honor the obligation to repay, provided that my failure persists for (a) 120 days if I repay in monthly installments, or (b) 180 days if I repay in installments due less frequently than monthly. If I default, I will owe the entire balance of the loan plus accrued interest. If I am able, but unwilling to repay my loans, the Alaska Student Loan Program may institute legal action to force me to repay my loans. If I am named in such a legal action, I will forfeit all partial cancellation benefits for which I am otherwise eligible.
15. The lender must keep on file a copy of the State laws and regulations that govern the Alaska Student Loan Program. I have a right to examine these materials if I wish.
16. I should investigate the availability of other forms of financial aid with the school's financial aid administrator. It may be to my benefit to determine my eligibility for grant, work-study and other sources of assistance before applying for a student loan. I understand that receipt of an Alaska Student Loan may eliminate any awards that I may receive from other programs.
17. If I meet the eligibility requirements listed under PARTIAL CANCELLATION in the Promissory Note, I may be entitled to up to 50% partial cancellation of the principal which was actually advanced to me, plus accrued interest of this loan through the Alaska Student Loan Program, subject to the restriction noted in Item 14 in this statement.

BORROWER'S RESPONSIBILITIES:

1. I must use care in choosing a school. Each school must provide a prospective student with information about the school and its programs. I will consider this information carefully before deciding to attend a specific school. I understand that the State Government does not vouch for the quality of a school or its programs.
2. I must repay the loan in accordance with the repayment schedule that the lender will give me.
3. I must notify the lender promptly, in writing, if any of the following events occur before the loan is repaid:
 - A. My failure to enroll in school for the period for which the loan was intended.
 - B. My withdrawal from school or my attendance in school on less than a full-time basis.
 - C. My transfer from one school to another school.
 - D. My graduation from school.
 - E. A change in my name (e.g., maiden name to married name).
 - F. A change in my address.
 - G. A change in my Alaska residency status.
4. If I qualify for a deferment of repayment, I must (a) provide the lender with written evidence of my eligibility, and (b) notify the lender as soon as the condition for which the deferment was granted no longer exists.
5. I must use the proceeds that I receive from this loan for tuition, room and board, fees, books and supplies to attend the school named, for the period indicated on the loan application.
6. I must maintain my Alaska residency status in order to receive disbursements of my loan under the Alaska Student Loan Program.
7. I must maintain full-time student status in order to receive disbursements of my loan under the Alaska Student Loan Program.
8. I must maintain good standing as defined for this program in order to receive disbursements of my loan under the Alaska Student Loan Program. Good standing is defined as enrolling and completing at least a full-time student load while maintaining a grade-point average of at least a "C" for an undergraduate or "B" for a graduate student.
9. I must request an application form from the Alaska Student Loan Program Office in each year which I wish to apply for a loan under the program.
10. I must submit my complete and correct Alaska Student Loan Program application form to the Alaska Student Loan Program office by May 15 in order to receive priority processing of my application.



This application to be used for the 1982-83 year only. If you will be attending a Voc-Tech school, attendance must begin on or after JULY 1, 1982. If you will be attending a college or university, it be used from Fall 1982 through Summer 1983.

ALASKA STUDENT LOAN PROGRAM, POUCH FP, 450 WILLOUGHBY AVENUE, JUNEAU, ALASKA 99801

AMENDED

WARNING: This assistance applied for herein may be provided by the State of Alaska. Any person who knowingly makes a false or misleading statement on this form shall be subject to prosecution under provision of Alaska Statute.

PART A - TO BE COMPLETED BY STUDENT BORROWER - IMPORTANT - READ THE INSTRUCTIONS CAREFULLY. Student/Borrower should complete Part A and forward the application to the school for completion of Part B.

1. Student Borrower's Last Name: Smoyer First Name: Kathleen Middle Name: Marie 2. Social Security No: 574-34-9200 3. Date of Birth: Mo. 4 Day 14 Yr. 62

4. Permanent Mailing Address: P.O. Box 2652, Fairbanks, Alaska 99707

5. Current Mailing Address: SAME 116 40 Mile Ave Apt 3, Fairbanks, Alaska 99701

6. State of Permanent Residence: Alaska 7. Area Code / Home Telephone Number: (907) 456-7250

Since: Mo. AUGUST Year 1977

8. References: You must provide four references. They must be of legal age with whom you have periodic contact.

Name:	Parent/Guardian	Other Parent, adult relative or friend at different address	Adult relative or friend at different address	Adult relative or friend at different address
<u>Ric Smoyer</u>	<u>Patricia Egan</u>	<u>Sheron Smoyer</u>	<u>Pati Hemm</u>	
<u>P.O. Box 2652</u>	<u>1593 Avenida Selva</u>	<u>116 40-Mile Ave.</u>	<u>733-A Kamoku</u>	
<u>Fbks., Alaska</u>	<u>Fullerton, Calif.</u>	<u>Fbks., Alaska</u>	<u>Honolulu, Hawaii</u>	
<u>907, 456-7250</u>	<u>714, 879-1664</u>	<u>907, 456-6496</u>	<u>808, 947-5293</u>	
<u>Father</u>	<u>Mother</u>	<u>Step-Mother</u>	<u>Friend</u>	

9. Academic year of study for which this loan applies (check one): UNDERGRADUATE: Freshman _____ Sophomore _____ Junior Senior _____ 5th Year _____ or GRADUATE YEAR: 1st _____ 2nd _____ 3rd _____ 4th _____

10. List all student loans received from any source. Attach separate sheet if necessary.

NAME AND LOCATION OF LENDER	DATE & TYPE OF LOAN	UNPAID BALANCE
<u>A.S.L.P.</u>	<u>80-81</u>	<u>\$ 3000.</u>
<u>A.S.L.P.</u>	<u>81-82</u>	<u>\$ 5000.</u>
		\$ _____
		\$ _____
		\$ _____

11. Are you (check one - see instructions): Dependent Independent

12. Enter the total number of your dependents (see instructions): 0

13. List ages: _____

13. Number of terms you will attend during year for which loan applies (specify number): Quarters: _____ Trimester/Semester: 2 Summer: _____ If Voc-Tech student, specify number of: Weeks: _____ Months: _____

14. While in school, will you live (check one): With Relatives On Campus Off Campus

15. Major course of study. Specify: Communication Jour/Broad.

16. Degree or Certificate being sought (Associate, B.S., M.A., Ph.D. Diploma, etc.): Bachelor's

17. Estimated cost of education for the loan period: Institution use only

Tuition Fees	\$ <u>612.</u>	\$ <u>788.</u>
Room & Board	\$ <u>1,000.</u>	\$ <u>1,096.20</u>
Books & Supplies	\$ <u>500.</u>	\$ <u>460.</u>
Transportation	\$ <u>464.</u>	\$ <u>1,000.</u>
Personal	\$ <u>774.</u>	\$ <u>800.</u>
TOTAL	\$ <u>6,550.</u>	\$ <u>3,422.</u>

18. Financial aid & other sources for loan period: Institution use only:

BEOG SEIG	\$ _____	\$ _____
Parents, Savings, Etc.	\$ _____	\$ _____
Other Educ Loans	\$ _____	\$ _____
Other Scholar. & Grants	\$ _____	\$ _____
WICHE	\$ _____	\$ _____
TOTAL	\$ <u>0</u>	\$ _____

19. Date of attendance for which loan is requested: From Mo. 8 Yr. 82 To: Mo. 5 Yr. 83

20. Amount of loan requested: \$ 6000.

21. Estimated date of graduation: Mo. 6 Yr. 84

22. List any prior degrees and date(s) received: none

23. Type of tuition you will pay for loan period (see instructions): Resident Non-Resident No Differential

24. Student Status during loan period: Full-time Part-time

25. Have you/will you apply during the loan period for: WICHE Yes No SEIG: Yes No (Date applied) _____

26. Name and address of school you will be attending: Name: University of Alaska-Fairbanks Address: Fairbanks, Alaska 99701

27. My signature below certifies that I have read, understand and agree to the conditions and authorizations stated in the Student Certification and Statement of Educational Purpose printed on the reverse side of this application. I declare under penalty of perjury that the foregoing is true and correct.

Signed: Kathleen Smoyer Dated: _____

PART B - TO BE COMPLETED BY SCHOOL. When School Official completes and signs Part B, the blue copy of the application should be retained for the school records. The instruction sheet, the two white copies and the yellow copy should be sent to the applicant - see instruction sheet for further information.

28. Name and Address of Educational Institution: _____ 29. OE School Code: _____

30. Area Code and Telephone Number: _____

My signature below certifies that I have read, understand, and agree to the conditions regarding the student named above in the School Certification Statement printed on the reverse side of the application.

31. Signature of Authorized School Official: _____ Name and Title: _____ 33. Date: _____

PART C - FOR ALASKA STUDENT LOAN OFFICE USE ONLY

Loan Approved: 5950 Application Incomplete: JUN 22 1982 Application Denied: _____

Total: 2000 Item(s): _____

Prior Alaska Student Loan(s)? Yes No If yes, have any entered repayment? Yes No

STUDENT FINANCIAL AID Account # _____

RECEIVED

ENTERED JUN 22 1982

RETURN TO THE ALASKA STUDENT LOAN OFFICE ACCESS NUMBER: _____

**STUDENT BORROWER CERTIFICATION AND
STATEMENT OF EDUCATION PURPOSE**

I, the student borrower, certify that the information contained in Part A of this application is true, complete, and correct to the best of my knowledge and belief and is made in good faith. I hereby authorize the educational institution to pay to the Alaska Student Loan Office any refund which may be due me up to the amount of this loan. I further authorize any educational institution that I may attend to release to the Alaska Student Loan Office or subsequent holder or their agents, any requested information pertinent to this loan (e.g. employment, enrollment status, current address). ~~I certify that I will use any funds I receive under the Alaska Student Loan Program solely for the expenses related to attendance at the educational institution named on this form for the academic period covered by this application.~~ I understand that I am responsible for repaying any funds I receive which cannot reasonably be attributed to meeting my educational expenses at the educational institution named on this form. I further understand that the amount of any repayment is based on regulations published by the Alaska Student Loan Office. I certify that I am not now in default on an Alaska Student Loan (ASL). I authorize the Alaska Student Loan Program to issue warrants necessary to cover the proceeds of my loan, in full or in part, made payable to me and sent in care of the student financial aid office at the educational institution named on this application form.

SCHOOL CERTIFICATION STATEMENT

I hereby certify that the student borrower named on this application form is neither in default nor owes a refund with respect to previous loans or grants received for attendance at this institution based on available records. I further certify that I have reviewed the information in Part A of this application, have noted any amendments to items #17 and #18 in the institutional columns, and that the information provided is true, complete, and correct to the best of my knowledge and belief.

1982 1982

PROMISSORY NOTE

REVISED

ALASKA STUDENT LOAN PROGRAM
POUCH FP, 400 WILLOUGHBY
JUNEAU, ALASKA 99811

ANNUAL PERCENTAGE RATE AFTER THE BEGINNING OF THE REPAYMENT PERIOD		5%	
DISBURSEMENT SCHEDULE —			
DATES SHOWN ARE THE STANDARD DISBURSEMENT DATES FOR A SCHOOL USING YOUR CALENDAR SYSTEM, WARRANTS WILL BE MAILED TO THE FINANCIAL AID OFFICE.			
	MONTH	DAY	YEAR
1st Disbursement	8	20	82
2nd Disbursement	12	15	82
3rd Disbursement	XXXX	XX	XX
4th Disbursement	XX	XX	XX
TOTAL LOAN AMOUNT			\$ 9,975.00

NOTE ISSUE DATE: 05/01/82

FOR ATTENDANCE AT:
~~UNIVERSITY OF ALASKA - FAIRBANKS~~
C/O STUDENT FINANCIAL AID OFFICE
FAIRBANKS AK 99701
FOR ATTENDANCE FROM: 06/82 TO: 05/83

BORROWER: KATHLEEN MARIE SMUYER
ADDRESS: P.O. BOX 2652
FAIRBANKS AK 99707
SOCIAL SECURITY NUMBER: 574-34 9200 01 04

PLEASE READ CAREFULLY THIS THE TERMS AND CONDITIONS OF THIS PROMISSORY NOTE AND THE STATEMENT OF BORROWER'S RIGHTS AND RESPONSIBILITIES.

YOUR REQUEST FOR A STUDENT LOAN HAS BEEN APPROVED FOR THE TOTAL LOAN AMOUNT INDICATED ABOVE. THE TERMS OF THIS PROMISSORY NOTE WILL BE INTERPRETED ACCORDING TO ALASKA STATUTE (14.40.751 to .806) AND ALASKA REGULATIONS (20 ACC 15.010 to .410) GOVERNING THE ALASKA STUDENT LOAN PROGRAM.

I, the borrower, promise to pay to the Alaska Student Loan Program, Pouch FP, 400 Willoughby Avenue, Juneau, Alaska 99811, the lender, all of the principal sum totaled above to the extent it is advanced to me, plus an amount equivalent to simple interest on this sum at the rate of five percent per year. If I fail to pay any of these amounts when they are due, I will also pay costs—including attorney's fees—that are permitted by State Regulations and are necessary for the collection of these amounts.

The lender and I understand that the following terms apply to this loan:

REPAYMENT:
1. I will repay this loan in monthly installments during a repayment period that will begin no later than the 1st of the thirteenth month (the "grace period") after I either leave school or cease to carry a full-time academic workload at an eligible educational institution (the "school"). I may, however, choose to have the repayment period begin earlier. 2. I will repay this loan within ten (10) years from the date that the repayment period begins. If, during the grace period, I request a shorter repayment period, the lender may grant me a shorter period. In that event, I may later choose to have the repayment period extended to the number of months remaining in the original 10 year repayment cycle at the time the extension is requested. Any approved period of deferment listed under DEFERMENT will not be included in determining the 10 year repayment period. 3. The particular terms and conditions of repayment that apply to this loan will be set forth in a separate document, known as a repayment schedule or a statement of loan terms, that the lender is to provide to me before the repayment period begins.

PREPAYMENT:
I may, at my option and without penalty, prepay all or any part of the principal and accrued interest of this loan at any time. If I do so, I will be entitled to a rebate of any unearned interest that I have paid. Any rebate I am entitled to will be calculated by multiplying the number of months the loan had been prepaid by the amount of the monthly interest charge listed on the repayment schedule or the statement of loan terms. Any earned, unpaid interest listed on the repayment schedule or statement of loan terms.

DEFERMENT:
My loan payment will be deferred after the repayment period begins, provided I comply with the procedural requirements set forth in the regulations governing the Alaska Student Loan Program, in any of these circumstances:

1. While I am enrolled in full-time study at an eligible educational institution (12 semester or quarter hours for an undergraduate student, 9 semester or quarter hours for a graduate student, or 30 clock hours per week for a career education program student);
2. For a single period not to exceed one year while I am conscientiously seeking but unable to find full-time employment in the United States;
3. For a period not to exceed three years while I am serving as a full-time volunteer under the Peace Corps Act;
4. For a period not to exceed three years while I am serving as a full-time volunteer under the Domestic Service Act of 1973 (action programs);
5. For a period not to exceed two years while I am serving a first required internship/residency as part of the program of study;
6. For a period not to exceed three years while (a) I am fifty percent (50%) or more disabled as certified by a qualified physician or (b) I am unable to secure employment by reason of the care required by a spouse who is temporarily totally disabled;
7. For any period while I am serving on active duty in the Armed Forces of the United States.

I am also entitled to a six month grace period following any period of authorized deferment under this section before repayment is required to resume.

INTEREST:
1. The Alaska Student Loan Program will normally pay the interest that accrues on this loan prior to the repayment period, during any post-deferment grace period, and during any deferment period as specified under DEFERMENT in this promissory note. Prior to the loan repayment period, during any post-deferment grace period, and during any deferment period, the lender may not attempt to collect the interest from me. I may, however, choose to pay this interest myself.

2. Once the repayment period begins, I will be responsible for payment of all the interest that accrues on this loan, except for interest that accrues during any period described under DEFERMENT in this promissory note.
3. The Lender may add any interest that is not paid when it is due to the unpaid balance of this loan, in accordance with Alaska Regulations.

DEFAULT:
If I default on this loan, the lender may declare the entire unpaid amount of the loan, including interest, immediately due and payable. A default may also make me ineligible for the benefits described under DEFERMENT, INTEREST, and PARTIAL CANCELLATION in this promissory note. Under the Regulations governing this program, any of the following events could be considered a default: my failure to make a payment when it is due, my failure to notify the lender of a change in my name, address, withdrawal for full-time student status, change of schools, residency status, my failure to maintain Alaska residency, or if I falsify any document in connection with the making of this loan, whether by omission or commission.

DISABILITY OR DEATH:
If I become fifty percent (50%) or more permanently disabled, my obligation to pay any amount owed to this loan will be cancelled as specified under the regulations governing the Alaska Student Loan Program.

PARTIAL CANCELLATION:
If I receive the appropriate degree, diploma or certificate for which this loan was made, and if I reside in Alaska within one year from the time I earned my degree, diploma or certificate, then upon my providing proof of graduation to the lender, I may receive partial cancellation of up to fifty percent (50%) of the original principal of this loan. My eligibility for partial cancellation to me, and accrued interest when the following conditions have been satisfied:

1. I have completed over two but less than three consecutive years of Alaska residency, 10% of the principal and interest of this loan will be cancelled upon request in writing by me;
2. I have completed over three but less than four consecutive years of Alaska residency, 10% of the principal and interest of this loan will be cancelled upon request in writing by me;
3. I have completed over four but less than five consecutive years of Alaska residency, 10% of the principal and interest of this loan will be cancelled upon request in writing by me;
4. I have completed over five but less than six consecutive years of Alaska residency, 10% of the principal and interest of writing by me;
5. I have completed over six consecutive years of Alaska residency, 10% of the principal and interest of this loan will be cancelled upon request in writing by me.

I understand that if I cease to be a resident of Alaska during the period of the eligibility for partial cancellation, I lose my eligibility for any further partial cancellation benefits.

- GENERAL:**
1. The lender must provide me with a copy of this promissory note. By signing and dating this note below, I have indicated that I have retained the borrower's copy for my records. The terms of this promissory note will be interpreted according to the Regulations and Statutes governing the Alaska Student Loan Program as listed in bold print.
 2. I will use all of the proceeds that I receive from this loan solely for tuition, books, required fees, room and board.
 3. I am not required to provide any security for this loan. The lender may require my parent or legal guardian to sign the promissory note only if an encloser is necessary — because I am under sixteen years of age — to make the promissory note a binding obligation under Alaska Law.
 4. I will promptly notify the lender, in writing, if any of the following events occur before the loan is repaid, change of my name, change of address, change of school enrollment status or change from Alaska residency status.
 5. I understand that I will not be granted ASLP loans for more than five years of undergraduate study, or five years of graduate study, or for a total of eight years of combined study. Intervening years in which a loan was not received are not counted toward the total years permitted.
 6. This loan will be disbursed to me in the amounts listed above and will be disbursed in accordance with the disbursement schedule on this form.

ACCEPTANCE:
I have read this promissory note, including the terms and conditions on the reverse side and agree to abide by these conditions.

Kathleen Smayer
SIGNATURE OF BORROWER

P.O. Box 2652 Fbks. (mailing)
ADDRESS OF BORROWER

Sept. 7 1982
DATE SIGNED

NAME OF ENDORSER, IF ANY (PLEASE PRINT)

SIGNATURE OF ENDORSER

ENTERED SEP 13 1982
DATE SIGNED

STATEMENT OF BORROWER'S RIGHTS AND RESPONSIBILITIES

A STUDENT LOAN IS A SERIOUS LEGAL OBLIGATION. IT IS EXTREMELY IMPORTANT THAT YOU UNDERSTAND YOUR RIGHTS AND RESPONSIBILITIES. WHEN YOU, THE STUDENT BORROWER, SIGN THE REVERSE SIDE OF THIS NOTE IT MEANS THAT (1) YOU UNDERSTAND YOUR RIGHTS AND RESPONSIBILITIES, AND THAT (2) YOU AGREE TO HONOR THEM.

BORROWER'S RIGHTS:

1. The lender must provide me a copy of the completed Promissory Note no later than the time the loan is disbursed and by retaining the Borrower's Copy of this note, I indicate that this right has been fulfilled. The lender must return the original Promissory Note to me when I have paid the loan in full.
2. My yearly and cumulative maximum Alaska Student Loan amounts are:

<u>Category of Borrower</u>	<u>Annual Loan Limit</u>	<u>Aggregate Loan Limit</u>
Undergraduate student	\$6,000	May receive loans up to 5 undergraduate academic school years.
Graduate student	\$7,000	May receive loans up to 5 graduate academic school years. (Total years may not exceed 8)
3. I am not required to provide security for this loan. The lender may require an endorser to sign the Promissory Note only if an endorsement is necessary — because I am under sixteen years of age — to make the Promissory Note a binding obligation under State law.
4. Each loan check must be payable to me. The lender will mail the check to me in care of the Student Financial Aid Office at the school I will be attending and the check will require my endorsement.
5. I have a right to a 12 month "grace period" before the repayment period begins. The grace period starts the first day after I leave school or cease to attend an eligible educational institution on a full-time basis. My first payment will be due no later than the first of the thirteenth month after I leave school or cease to attend school on a full-time basis.
6. The lender is to provide me with a repayment schedule before the repayment period begins. The provisions of this schedule must conform to the provisions under REPAYMENT in the Promissory Note.
7. I will repay this loan in monthly installments within 10 years of the date of commencing repayment. However, the following exceptions to these rules apply:
 - A. If, during the grace period I request a shorter repayment period, the lender may grant me a shorter period.
 - B. Any period described under DEFERMENT in this Promissory Note will not be included in determining the 10 year period mentioned above.
8. I have a right to prepay the whole loan or any portion of the loan at any time without penalty.
9. If I meet certain requirements, I have a right to defer payment on the loan as set forth under DEFERMENT in the Promissory Note. Also, I have a right to a six month post-deferment grace period after each period of authorized deferment.
10. The Alaska Student Loan Program normally will pay the interest that accrues on the loan both before the repayment period, during any authorized deferment period, and during the six month period following deferment. In that event, the lender may not collect or attempt to collect this interest from me. The interest on the loan may not exceed five percent (5%) per year.
11. My loan obligation will be cancelled if I become fifty percent (50%) or more permanently disabled or if I die.
12. If I am willing, but financially unable to make payments under my repayment schedule, I may request the lender to allow any of the following (forbearance or hardship status):
 - A. A short period during which I make no payments;
 - B. An extension of time for making payment; or
 - C. The making of smaller payments than were scheduled originally.
 However, the lender is not required to approve my request.
13. If the lender sells the loan or otherwise transfers the right to receive payment, I must be sent a clear notification which spells out my obligations to the party to which my loan was sold.
14. Default occurs when I fail to make an installment payment when due, or to meet other terms of the Promissory Note under circumstances where the Alaska Student Loan Program finds it reasonable to conclude that I no longer intend to honor the obligation to repay, provided that my failure persists for (a) 120 days if I repay in monthly installments, or (b) 180 days if I repay in installments due less frequently than monthly. If I default, I will owe the entire balance of the loan plus accrued interest. If I am able, but unwilling to repay my loans, the Alaska Student Loan Program may institute legal action to force me to repay my loans. If I am named in such a legal action, I will forfeit all partial cancellation benefits for which I am otherwise eligible.
15. The lender must keep on file a copy of the State laws and regulations that govern the Alaska Student Loan Program. I have a right to examine these materials if I wish.
16. I should investigate the availability of other forms of financial aid with the school's financial aid administrator. It may be to my benefit to determine my eligibility for grant, work-study and other sources of assistance before applying for a student loan. I understand that receipt of an Alaska Student Loan may eliminate any awards that I may receive from other programs.
17. If I meet the eligibility requirements listed under PARTIAL CANCELLATION in the Promissory Note, I may be entitled to up to 50% partial cancellation of the principal which was actually advanced to me, plus accrued interest of this loan through the Alaska Student Loan Program, subject to the restriction noted in item 14 in this statement.

BORROWER'S RESPONSIBILITIES:

1. I must use care in choosing a school. Each school must provide a prospective student with information about the school and its programs. I will consider this information carefully before ~~deciding to attend a specific school~~. I understand that the State Government does not vouch for the quality of a school or its programs.
2. I must repay the loan in accordance with the repayment schedule that the lender will give me.
3. I must notify the lender promptly, in writing, if any of the following events occur before the loan is repaid:
 - A. My failure to enroll in school for the period for which the loan was intended.
 - B. ~~My withdrawal from school or my attendance at school on less than a full-time basis.~~
 - C. My transfer from one school to another school.
 - D. My graduation from school.
 - E. A change in my name (e.g., maiden name to married name).
 - F. A change in my address.
 - G. A change in my Alaska residency status.
4. If I qualify for a deferment of repayment, I must (a) provide the lender with written evidence of my eligibility, and (b) notify the lender as soon as the condition for which the deferment was granted no longer exists.
5. I must use the proceeds that I receive from this loan for tuition, room and board, fees, books and supplies to attend the school named, for the period indicated on the loan application.
6. I must maintain my Alaska residency status in order to receive disbursements of my loan under the Alaska Student Loan Program.
7. I must maintain full-time student status in order to receive disbursements of my loan under the Alaska Student Loan Program.
8. I must maintain good standing, as defined for this program, in order to receive disbursements of my loan under the Alaska Student Loan Program. Good standing is defined as enrolling and completing at least a full-time student load while maintaining a grade-point-average of at least a "C" for an undergraduate or "B" for a graduate student.
9. I must request an application form from the Alaska Student Loan Program Office in each year which I wish to apply for a loan under the program.
10. I must submit my complete and correct Alaska Student Loan Program application form to the Alaska Student Loan Program office by May 15 in order to receive priority processing of my application.

Article 9. Scholarship Loans and Tuition Grants.

Section	Section
751. Loan and tuition funds created	771. Enforceability of certain contracts with minors
753. Financial aid committee	
755. Applications	773. Repealed
757. Administration of program	776. Tuition grants
759. Undergraduate loans	781. Limitation on grants
761. Graduate loans	786. Conditions of grants
763. Conditions of loans	791. Eligibility of students
765. Eligibility of students	796. Application and certification
767. Selection criteria	801. Fiscal and business management practices
769. Discrimination prohibited	806. Definitions

Sec. 14.40.751. Loan and tuition funds created. (a) There is created a scholarship revolving loan fund. The fund shall be used to make scholarship loans to students selected under Secs. 751—806 of this chapter. All repayments of principal and interest on scholarship loans shall be paid into the scholarship revolving loan fund and shall be used to make new scholarship loans. If estimated funds available from scholarship loan repayments are inadequate to fully fund estimated scholarship loans for any fiscal year, additional funding from the general fund may be requested and appropriated for that year.

(b) There is created a tuition grant fund as an account in the general fund. The funds shall be used to make tuition grants to students selected under Secs. 751—806 of this chapter.

(c) On March 1 of each fiscal year, if there is a balance of appropriated but unobligated funds in the tuition grant fund created under (b) of this section, that sum shall be automatically transferred to the scholarship revolving loan fund created under (a) of this section to make additional scholarship loans during that fiscal year.

(Sec. 1 ch 98 SLA 1971; am Sec. 1 ch 156 SLA 1972; am Secs. 1,2 ch 136 SLA 1974; am Sec. 1 ch 136 SLA 1975, retroactive to February 1, 1975)

Sec. 14.40.753. Financial aid committee. (a) The student financial aid committee is composed of the members of the Alaska Commission on Postsecondary Education. The commission may delegate its functions under Secs. 751—806 of this chapter to a committee of its members, with augmented membership as the commission considers appropriate. The executive officer of the commission is the executive secretary of the committee. The Alaska Commission on Postsecondary Education shall administer the program established by Secs. 751—806 of this chapter.

(b) Members of the committee serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions.

(c) The selection committee shall make an annual report reviewing the work of the committee to the governor, the legislature and the private colleges and universities where students receiving tuition grants are enrolled.

(d) The committee shall meet at least once a year. The meetings shall be held at the call of the chairman or upon petition by two members. (Sec. 1 ch 98 SLA 1971; am Sec. 2 ch 156 SLA 1972; am Sec. 5 ch 78 SLA 1974; am Sec. 3 ch 136 SLA 1974)

Sec. 14.40.755. Applications. (a) Applications shall be submitted to the executive secretary of the committee.

(b) A person whose loan or grant application is not recommended or presented to the committee by the executive secretary may appeal to the committee through the chairman of the committee and the committee shall consider the application. (Sec. 1 ch 98 SLA 1971; am Sec. 3 ch 156 SLA 1972; am Sec. 4 ch 136 SLA 1974)

Sec. 14.40.757. Administration of program. The executive secretary shall administer the programs subject to review by the committee and in accordance with the regulations prescribed by the committee. The promulgation of these regulations is subject to the Administrative Procedure Act (AS 44.62), and a summary of the regulations shall be distributed to each applicant. (Sec. 1 ch 98 SLA 1971; am Sec. 5 ch 136 SLA 1974)

Sec. 14.40.759. 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 14.40.765. (am Sec. 1 ch 89 SLA 1981)

Sec. 14.40.761. 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 14.40.765 and is pursuing an advanced degree. (am Sec. 2 ch 89 SLA 1981)

Sec. 14.40.763. Conditions of loans. (a) Proceeds from scholarship loans may only be used for books, tuition and required fees, and for room and board.

(b) The loans may only be used to attend a career education program or a college or university approved by the commission, and, if the loans are federally insured, by the United States Commissioner of Education. (Sec. 1 ch 99 SLA 1977; am Sec. 3 ch 87 SLA 1979)

(c) To maintain a loan the student must continue to be enrolled as a full-time student in good standing in a career education program, college or university designated under (b) of this section. The commission shall adopt regulations defining "good standing" for purposes of this subsection. (am Sec. 3 ch 89 SLA 1981)

(d) Scholarship loans may not be made to

- (1) for more than five years of undergraduate study;
- (2) for more than five years of graduate study;
- (3) for more than a total of eight years of undergraduate and graduate study. (am Sec. 4 ch 89 SLA 1981)

(e) Loans are interest bearing while a student is enrolled under (c) of this section or is receiving a deferment of payments under (k) of this section; however, a student shall be entitled to have a portion of the interest paid on his behalf and for his account in accordance with (1) of this section. (am Sec. 2 ch 99 SLA 1977; am Sec. 4 ch 87 SLA 1979)

(f) Interest on a loan given under sections 751-806 of this chapter is at the rate of five percent a year.

(g) Repayment of the principal and interest on the loan begins no later than one year after the borrower terminates his studies. The loan shall provide for repayment of the total amount owed in periodic installments in not more than 10 years from the commencement of repayment, except as provided in (k) and (m) of this section. If the commission and the borrower agree to a different repayment schedule, the borrower shall repay the loan in accordance with the agreement. A borrower may make payments earlier than required by this subsection. (repealed and reenacted Sec. 5 ch 89 SLA 1981)

(h) Security may not be required for the loans; however, provision shall be made for payment of attorney fees and costs of court if either or both are incurred in collection of the amount owed on the loan.

(i) If a loan is in default, the commission shall notify the borrower that repayment of the remaining balance is accelerated and due by sending the borrower a notice by registered or certified mail. (am Sec. 6 ch 89 SLA 1981)

(j) A portion of a loan shall be paid on behalf of the borrower by the state if, upon completion of the course of study for which the loan was granted, the borrower is a resident of the state for at least two years. The portion of the loan that shall be paid by the state is the following percentages of the total loan received plus interest up to a total of 50 percent of the total loan:

- (1) two-three years residence in the state, 10 percent;
- (2) three-four years residence in the state, an additional 10 percent;
- (3) four-five years residence in the state, an additional 10 percent;
- (4) five-six years residence in the state, an additional 10 percent;
- (5) over six years residence in the state, an additional 10 percent.

(Sec. 1 ch 98 SLA 1971; am Sec. 4 ch 156 SLA 1972, am Sec. 6 ch 78 SLA 1974; am Sec. 8 ch 136 SLA 1974; am Sec. 6 ch 87 SLA 1979; repealed and reenacted Sec. 7 ch 89 SLA 1981)

The reenactment of AS 14.40.763(j) in section 7 of this Act applies to any student who has obtained a scholarship loan under AS 14.40.751-14.40.806 since July 1, 1971. (Sec. 12 ch 89 SLA 1981)

(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 (1) of this section during any of the following:

- (1) return to student status as provided in (c) of this section;
- (2) serving on active duty as a member of the armed forces of the United States;
- (3) serving, for up to three years, as a full-time volunteer under the Peace Corps Act;
- (4) serving, for up to three years, as a full-time volunteer under the Domestic Volunteer Service Act of 1973;

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

(6) if the borrower becomes 50 percent or more disabled as certified by competent medical authority. (repealed and reenacted Sec. 7 ch 87 SLA 1979)

(l) The state will pay the interest on that portion of a loan that is not federally insured during

- (1) the period before the beginning of the repayment period of the loan; and
- (2) deferments under (k) of this section.

(m) In case of hardship, the committee may extend repayment of a loan for an additional period of up to five years in increments no longer than 12 months each. (am Sec. 8 ch 89 SLA 1981)

(n) repealed. (Sec. 11 ch 89 SLA 1981)

(o) The provisions of (j) of this section do not apply to a loan to a borrower named in a complaint as a defendant in an action by the state or by the commission to secure payment of the unpaid balance of a loan made under AS 14.40.759 or 14.40.761. (am Sec. 9 ch 89 SLA 1981)

(p) For purposes of this section, a person qualifies as a resident if the person is physically present in the state with the intent to remain permanently in the state or, if not physically present in the state, the person intends to return to the state and is absent due to military service. (am Sec. 9 ch 89 SLA 1981)

Sec. 14.40.765. Eligibility of students. (a) A person may apply for and obtain a scholarship loan if the person

- (1) is a resident of the state at the time he applies for a scholarship loan;
- (2) meets the requirements of (b) of this section; and
- (3) is
 - (A) enrolled as a full-time student in a career education or associate or baccalaureate or graduate degree program; or
 - (B) a graduate of a high school, or scheduled for graduation from a high school within six months, with sufficient credits to be admitted to a career education program or to an accredited college or university.

(b) In addition to the requirements of (a) of this section, to obtain a scholarship loan a person must have been a resident of the state for at least two years at the time he applies for the loan. For purposes of this subsection, a person qualifies as a resident of the state if at the time he applies for the loan the person

- (1) has been present in the state for at least two years unless his absence from the state during any part of the two years was due to military service; or
- (2) is a person who is dependent on a parent or guardian for his care, and the parent or guardian has been present in the state for at least two years. (repealed reenacted Sec. 10 ch 89 SLA 1981)

Sec. 14.40.767. Selection criteria. (a) The selection committee shall grant loans based on total point accumulations under this subsection with priority going to those applicants with the highest point accumulations, except as provided in (b) of this section for loan applications completed before May 15 of each year. Points shall be awarded to applicants based upon student status and continuous Alaskan residency, according to the following schedule:

- (1) student status:
 - (A) continuing undergraduate and graduate students with existing Alaska scholarship loans 4 points
 - (B) continuing undergraduate and graduate students without existing Alaska scholarship loans 3 points
 - (C) freshmen 2 points
 - (D) new graduate students without existing Alaska scholarship loans 1 point
- (2) continuous Alaskan residency:
 - (A) students with continuous Alaskan residency of 10 years or more 3 points
 - (B) students with continuous Alaskan residency of at least 5 years and less than 10 years 2 points
 - (C) students with continuous Alaskan residency of more than 2 years and less than 5 years 1 point
- (3) students attending Alaska colleges or universities 1 point.

(b) In awarding loans the selection committee shall award loans to applicants based upon the earliest date of completed applications if

- (1) the applicant has accumulated at least 5 points under (a) of this section; and
- (2) the applicant has filed a completed application not later than May 15 of the year for which the loan is requested. (repealed and reenacted Sec. 2 ch 87 SLA 1979)

Sec. 14.40.769. Discrimination prohibited. The student loan program shall be carried out without regard to the race, creed, sex, color, ancestry, national origin, or membership in fraternal or political organizations of the student applying for the loan. (Sec. 1 ch 98 SLA 1971)

Sec. 14.40.771. Enforceability of certain contracts with minors. A written obligation entered into by a minor at least 16 years of age, evidencing a loan or other assistance received by him from any person for the purpose of furthering his education in a career education program or an institution of higher learning, is enforceable against the minor with the same effect as if he were, at the time of its execution, 19 years of age, if the person making the loan has in his records before making the loan a certification from the institution that the minor is enrolled in the institution or has been accepted for enrollment. (Sec. 1 ch 98 SLA 1971)

Sec. 14.40.773. Repealed. (Sec. 6 ch 156 SLA 1972)

Sec. 14.40.776. Tuition grants. (a) The executive secretary of the committee shall award a tuition grant to a student in an amount up to the difference between (1) the cost, in a city where there is both a four-year state university and a four-year private university or in a city where there is both a two-year state community college and a two-year private college, for the operation of the state institution on a full-time student per academic year basis, and (2) the tuition or fees paid by the student at the state institution in those locations, but in no case may the amount exceed \$2,500 plus a cost-of-living adjustment. Subject to the approval of the committee and to the availability of appropriated funds, the executive secretary may adjust the maximum grant based on a cost-of-living factor comparable to that employed in making adjustments to the state employee pay plan under AS 39.27.015. The tuition grant paid to a student may not be in an amount that would result in a student paying less in tuition or fees at a private college or university than would be required for a similar enrollment at the state institution in the same city. The grant shall be applied by the student toward his tuition at the private university or college in which he enrolls. (am Sec. 1 ch 246 SLA 1976)

(b) The computation of the cost for the operation of the state institution on a full-time student per academic year basis under (a) of this section may not include construction or capital improvement costs, debt service and expenditures for research and public service functions.

(c) The computation under (a) of this section shall be made by the executive secretary. He shall publish the accounting procedures employed in making the computation, including, but not limited to, the time period on which the computation is based and the cost figures used. This cost data shall be made available for information purposes to the officers or administrators of the state institution whose cost of operations is the basis for the computation and to the officers or administrators of the private colleges and universities in which students receiving tuition grants are enrolled. A committee consisting of a qualified member of the staff of the division of budget and management of the Department of Administration designated by the commissioner, a qualified member of the staff of the Legislative Budget and Audit Committee designated by the chairman of the committee, and one other specially qualified person in the field of accounting, business management or institutional finance appointed by the governor, shall review, and may hear an appeal from, the determination of the computation by the executive secretary. No officer, administrator or other member of the staff of a state institution whose cost of operations is under review or an officer, administrator, or other member of the staff of the private college or universities in which students receiving tuition grants are enrolled may be a member of that committee.

(Sec. 5 ch 156 SLA 1972; am Secs. 9, 10 ch 136 SLA 1974; am Sec. 2 ch 136 SLA 1975)

Sec. 14.40.781. Limitation on grants. (a) No grants may be made under sec. 776 of this chapter for any portion of tuition which would otherwise be paid under the terms of a federal grant program.

(b) The amount of the tuition grant under sec. 776 of this chapter that may be awarded to a student who is also the recipient of a federal grant for tuition is computed according to the formula $G = P - S - F$, in which

- (1) G = the grant awarded;
- (2) P = the tuition and fees charged by the private college or university in which the student is enrolled;



NEA - ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

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Steve Pulkkinen
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Mary Ann Eininger
Deputy Executive Secretary
Fairbanks Office

To: Senator Joe Josephson, Chair
Members, Senate HESS Committee

Re: Senate Bills pertaining to the
Student Scholarship Loan Program.
(SB 118, 185, 197, 209, 210)

March 30, 1983

NEA-Alaska strongly urges continuation of the student scholarship program in the broadest perspective which is fiscally sound.

If financial constraints are necessary we would first encourage that the committee look to: a.) a modest increase in the interest rate (perhaps from 5% to 8%); b.) making the amount of the loan contingent on demonstrable need which would take into consideration all the financial resources available to the applicant; and, c.) a possible reduction or elimination in the amount of forgiveness.

Thank you for your consideration.

Respectfully submitted,

Robert Manners
Executive Secretary

RM:li

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POUCH FP
JUNEAU, ALASKA 99811
PHONE: (907) 465-2854

M E M O R A N D U M

TO: Members of the Senate HESS Committee

Senator Joe Josephson, Chairman Senator Paul Fischer
Senator Vic Fischer Senator Pappy Moss
Senator Rick Halford

FROM: Jane Byers Maynard, Director for Special Programs
Alaska Commission on Postsecondary Education *JBM*

DATE: April 5, 1983

At the Senate HESS Committee meeting on student loans, Senator Vic Fischer requested the number of community college loan awards to students enrolled in vocational programs by occupation area. This information has been added to the list provided at the meeting showing loan awards and estimated annual job openings in several vocational fields.

Seven hundred and thirty-two loans to students attending 142 community colleges are listed. Total loan awards to students at vocational/technical schools and community colleges represent about 17% of 1982-83 loans awarded to date.

Adding community college information has increased the list of occupation titles from 49 to 60. There are 18 occupation areas in which loan awards exceed estimated annual job openings. The list also shows those vocations where state manpower needs are greatest.

If the Committee would like additional information, please contact me at 465-2854.

Enclosure

[RECEIVED]

APR 05 1983

Josephson,



UNIVERSITY OF ALASKA ALUMNI ASSOCIATION

UNIVERSITY OF ALASKA
FAIRBANKS, ALASKA 99701

March 28, 1983

The Honorable Joe Josephson
Senator, State of Alaska
Pouch V
Juneau, AK 99811

Dear Senator Josephson:

We as elected representatives of the alumni of the University of Alaska are writing you in support of the State student loan program. We are seriously concerned by comments appearing in the press suggesting full funding may be in jeopardy and that various categories of Alaskans may be excluded from applying for loans in the future.

The University of Alaska Alumni Association feels that one of the very best uses of state funds is investment in the future of Alaska through investment in the education and training of the citizens of Alaska. In support of this goal we urge appropriation of state funds adequate to meet the borrowing needs of qualified applicants for the Alaska student loan programs.

The Alumni Association is not opposed to an increase in interest rates for student loans to 9% or some other reasonable rate. We are also not opposed to some change in the loan forgiveness clause, although we would prefer to see forgiveness retained in some form.

We trust that our comments will assist you in making decisions regarding the several bills presently before the legislature which affect the student loan program.

Very truly yours,

Board of Directors
University of Alaska Alumni Association

By Jim McCaslin Brown
Jim McCaslin Brown, Vice President

JMB:meh
cc: President Jay Barton
Dr. Kerry Ramesburg

Health, Education and
Social Services Committee



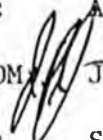
Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811
465-4907
465-4908

MEMORANDUM

TO: ALL MEMBERS OF THE SENATE HESS COMMITTEE
FROM:  JOE P. JOSEPHSON, CHAIR
RE: SCHOLARSHIP LOAN PROGRAM

ALL THE SCHOLARSHIP LOAN PROGRAM BILLS (SB 118, SB 185, SB 197, SB 209) HAVE BEEN SCHEDULED FOR THE SECOND HEARING IN COMMITTEE ON MONDAY, APRIL 11, 1983.

IN ORDER TO FACILITATE PREPARING A COMMITTEE SUBSTITUTE RELATING TO STUDENT LOANS, I ASK THAT YOU COMPLETE THE ATTACHED FORM WITH YOUR VIEWS ON THE PROGRAM AND RETURN IT TO MY OFFICE NO LATER THAN FRIDAY, APRIL 8, 1983, IN ORDER TO PREPARE A COMMITTEE SUBSTITUTE FOR MONDAY'S MEETING.

I AM ENCLOSING, ALSO, THE CHART ON THE FOUR DIFFERENT BILLS WE HAVE CONSIDERED FOR YOUR INFORMATION.

YOUR COOPERATION ON THIS ISSUE IS APPRECIATED.

PLEASE FILL IN YOUR OPINION ON THE FOLLOWING ISSUES IN THE APPROPRIATE SPACES:

FORGIVENESS AMOUNT	
STUDENT LOAN AMOUNTS (GRAD/UNDERGRAD)	
INTEREST RATE	
APPLICATION DATE	
VOCATIONAL LIMITATION	
RESIDENCY REQUIREMENT	
FULL TIME STANDING REQUIREMENT	
OTHER	

SIGNATURE _____

TO: P.R.D.
File re
Student hours

TO: Senator Josephson
FROM: Dave Donley *DB*
RE: Student Loan Program
DATE: 02/16/83

Attached are the Commission of postsecondary educations responses to your question as to the effect of seven specific proposals for modification of the student loan program. The commission response identifies changing the application deadline (if Alaska loses current case) and raising the interest rate as the most effective cost reducers.

Comment

After much deliberation I have reached the decision that Sen. Sackett proposal to limit the loans to high school seniors graduating in Alaska is the most advantageous proposal.

While the Sackett proposal has a serious ^{fault} ~~flaw~~ in its depriving older individuals access to the fund it appears to be the only way to get this program under control and to keep it there in the future. By adopting Sen. Sackett's proposal no other modifications to the current loan scheme are necessary although some may be desirable. Specifically, I refer to revised guidelines regarding vocational education loans (i.e., beauticians and flying lessons) and increasing the required grade point level to at least 2.25.

I find the entire process of fiscal review of this program rather ironic. It appears undisputable that the state has and probably is wasting incredible sums of money on poorly-concieved projects and programs. Considering this on-going waste the problems with the loan program, a undisputably worthy program, should be kept in perspective.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POUCH FP
JUNEAU, ALASKA 99811
PHONE: (907) 465-2854

M E M O R A N D U M

TO: Dave Donley
Legislative Assistant to Senator Joe Josephson

FROM: Kerry D. Romesburg, Executive Director
Alaska Commission on Postsecondary Education

DATE: February 14, 1983

You requested information on seven points related to the student loan program. I shall address each below.

1. Change application deadline date to December 15.

Rolling the application deadline forward from May 15 to December 15 would have some advantages. As I understand the suggestion, a 12-month residency would be required at the time of application. If Alaska loses the residency challenge currently in Federal district court, this proposal could save quite a lot of money. However, if the State win the case, there would probably not be large savings realized by advancing the application deadline.

The only impact, irrespective of the court challenge, would be to eliminate those students who decide to attend school and make that decision after December. This number is difficult to project, but we do know that of the 13,569 borrowers (as of January 21, 1983), 3,582 applied for these loans after the May 15 deadline. If this pattern were to continue, and if a hard-fast deadline were enforced, these 3,500 students would be denied. At an average loan of \$4,500, this would reduce program outlay by nearly \$16 million.

2. Decrease forgiveness from 50% to 40%.

Decreasing forgiveness back to its original 40% would result in some savings, but not for some time. The reason is that this change could only affect loans made from now on, since all loans currently outstanding have a 50% forgiveness rate (as per FCCSSB 120 of the 1981 Session). Therefore the 10% reduction would not be realized until next year's borrower completed his or her program of study and grace year and then paid for four years. Then -- the fifth year of repayment, there would be some savings. In other words, the earliest we could see a fiscal impact of this change, would be at least 1989-90, and this would still be extremely limited. The real impact would not be felt until about 1993-94 and 1994-95.

3. Raise interest to 7% or 9%.

The information listed below is for a \$1,000 loan. If larger loan amount effects are desired, these may be derived by simply multiplying by the desired factor.

<u>Interest Rate</u>	<u>Monthly Payment</u>	<u>Total Interest</u>	<u>Total Principal</u>	<u>Total Owed</u>
5%	\$10.61	\$273.20	\$1,000.00	\$1,273.20
7%	11.62	394.40	1,000.00	1,394.40
9%	12.67	520.40	1,000.00	1,520.40

The above data provides information on how this change would impact the borrower. In terms of how this impacts the program, one needs to look at the increased program receipts realized by the additional interest income. Once again, as with changing the forgiveness provisions, the impact would not be realized for some years to come. The earliest impact would come in three years, that is, a 1983-84 borrower would attend school and complete study in 1983-84, receive grace year in 1984-85, and then begin payment in 1985-86. These payments would be higher, reflecting the increased interest. However, here again, the large impact would not be realized until those persons borrowing three or four years' worth of loans at this higher rate entered the repayment cycle -- around 1988-89 or 1989-90. Then we would increase program receipts by \$5 or \$6 million per year.

4. Raising GPA requirement from 2.0 to 2.5.

The impact of increasing the cumulative grade-point-average (GPA) from 2.0 to 2.5 is rather difficult to assess. The 2.0 GPA requirement currently required by the state for "good standing" has only been in place for this present borrowing year (1983-84). We do know that this has had an effect on borrowers, but we will not really have a good idea of how much until next fall. Hence, it is difficult to estimate what a raised GPA would do. Most certainly it would result in disqualifying a number of current borrowers and thereby save the program money in the future.

5. Impose penalties for one-term borrowers.

Under the present program, one "loophole" exists. A borrower may apply, register in school, obtain first loan installment, and drop from school immediately. That borrower then enters grace year, and one year later must begin repayment, but in the meantime has obtained \$2,500 or \$3,000 at 5% interest. It is an easy way for one to obtain some quick cash for essentially no effort. When this is coupled with the fact that these persons are also our worst offenders for default, the problem is worsened.

What to do is a difficult question. If we impose penalties for one-term borrowers, such as increased interest or loss of grace year, this may discourage some potential abusers, but it also penalizes an individual who faces some catastrophic event and is forced to drop from school. If we allow appeals for waiver we get into an administrative mess. Certainly it can be done, but the question is how many true abusers do we have, and is the "cure" worth the "ailment"? We really do not know.

The other approach is easy administratively, but penalizes a large group for the actions of a small minority. That is, we could simply not make loans available until the second term of a freshman year. This means the students must do one term on their own (and I would suggest one term of full-time study or its equivalent) before becoming eligible to borrow. This would result in program savings of approximately \$9 million in 1983-84 alone. It would also enhance our default rate and eliminate the potential for abuse, but it surely penalizes a large group of students.

6. Restrict vocational borrowers to fields with projected manpower deficits.

We are currently checking with the State Division of Labor to see if manpower data are available for specific fields -- such as, hair styling, cooks, secretarial, commercial piloting, etc. When we get an idea of how detailed these data are, we will respond more directly to this point. Now, we simply do not know if it would be practical or possible.

7. Maintain program for in-state attendance and impose changes for out-of-state attendance.

The two points being considered are forgiveness and interest rates. The forgiveness and interest rates would continue in present form for those attending in-state, but would be changed for those attending out-of-state. As with the discussions in numbers 2 and 3 above, the fiscal impacts would be some years ahead. Additionally, the impacts would be approximately halved, since the out-of-state attendance rate is about 50%.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

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M E M O R A N D U M

TO: Tom Bergstrom
Legislative Assistant to
Senator John Sackett

FROM: Kerry D. Romesburg, Executive Director
Alaska Commission on Postsecondary Education

DATE: February 7, 1983

As per our discussion, I am enclosing the figures related to Alaska high school graduation rates and some impacts certain restrictions might have on student loan projections.

The projection of high school seniors comes from a publication of the Department of Education.

1. High school seniors (projections)

<u>Year</u>	<u>Number</u>
1983-84	6,348
1984-85	6,581
1985-86	6,467
1986-87	6,626
1987-88	6,600
1988-89	7,577

2. Postsecondary education attendance rates

According to the Commission's annual high school senior survey, approximately 59% of Alaska's seniors plan some type of postsecondary attendance. Therefore, the potential borrowing rates would be:

<u>Year</u>	<u>Potential Borrowers</u>
1983-84	3,745
1984-85	3,883
1985-86	3,792
1986-87	3,909
1987-88	3,894
1988-89	4,470

3. Projections based upon current program with residency reduced to 12 months:

<u>Year</u>	<u>Loan Awards</u>	<u>Loan Volume</u>	<u>General Fund</u>
1983-84	19,060	\$ 93,394,000	\$ 87,180,554
1984-85	22,524	126,134,400	117,213,916
1985-86	23,926	141,163,400	128,930,480
1986-87	26,859	158,468,100	142,441,852
1987-88	29,201	172,285,900	152,199,179
1988-89	32,227	190,139,300	165,626,001

4. Projections based upon a requirement that in order to be eligible, a new borrower must be a senior in an Alaskan high school and a 12-month resident:

Year	<u>Loan Awards</u>	<u>Loan Volume</u>	<u>General Fund</u>
1983-84	14,567	\$ 66,097,900	\$ 59,884,454
1984-85	15,505	80,764,300	71,843,816
1985-86	15,906	87,449,100	75,216,180
1986-87	16,244	88,999,000	72,972,752
1987-88	16,582	90,396,300	70,309,579
1988-89	17,474	94,939,200	70,425,901

5. Projections based upon a requirement that in order to be eligible, a new borrower must be a senior in an Alaskan high school and a 12-month resident, but also providing a one-time "open enrollment" or "window" period for all persons currently 12-month residents to apply for use of the loan within the next 7 years.

Year	<u>Loan Awards</u>	<u>Loan Volume</u>	<u>General Fund</u>
1983-84	19,060	\$ 93,394,000	\$ 87,180,554
1984-85	20,762	116,267,200	107,346,716
1985-86	22,463	132,531,700	120,298,780
1986-87	23,353	137,782,700	121,756,452
1987-88	21,149	124,779,100	104,692,379
1988-89	21,091	124,436,900	99,923,601

GENERAL FUND FISCAL IMPACT
STUDENT LOAN BILLS

SENATE BILL NUMBER	1984	1985	1986	1987	1988
SB 118	10,094.0	5,717.6	8,631.1	1,492.7	(19,873.0)
SB 185	12,375.0	10,573.7	11,748.8	18,077.0	24,796.5
SB 197	-0-	-0-	(93.5)	(372.5)	(1,562.8)
SB 209	-0-	-0-	(481.6)	(1,363.6)	N/A

STUDENT LOAN BILLS

Eligibility of Students	Interest	Application Deadline	Loan Amount undergrad/grad	Other	Repeaters
<p>SB 118 Sackett</p> <ul style="list-style-type: none"> . A high school senior or scheduled to graduate in six months . Residency 1 yr. at application . Loan application filed while in high school may be deferred 5 yrs. . One year resident, not a high school grad, may apply for loan for 1 year following effective date. 	5%	None	6,000/7,000		
<p>SB 185 P. Fischer</p>	5%	None	8,000/8,000		
<p>SB 197 Josephson</p> <p>May be considered a full-time student if attending one or more institutions for a total number of hours or credits equivalent to full-time.</p>	8%	Jan. 1 effec. 84/85 school year.	6,000/7,000	More than 100 loans may not be approved for a single vocational field unless approved by a three member panel of the Commission.	AS 14.43.131 selection criteria (point system)
<p>SB 209 Governor</p> <ul style="list-style-type: none"> . Not delinquent or default on an awarded scholarship loan . Resident one year at application . Physically in state one year prior to application. <p>Exempt for: military service education employment by the state</p>	9%	Jan. 1 effec. Oct. 1, 1983	6,000/7,000		AS 14.43.120(j) loan forgiveness clause AS 14.43.120(o) relating to for- giveness AS 14.43.130 selection criteria (point system)

9151 Skywood Lane
Juneau, AK 99801
March 29, 1983

The Honorable Joe P. Josephson
Chairperson, Senate HESS Committee
Room 508 Capitol Bldg.
Juneau, Alaska

Re: Student Loan Program Revisions

Dear Senator Josephson and Committee Members:

Please do not recommend adoption of a provision that would limit recipients of student loans to persons who are graduates of Alaska high schools.

There are far better ways to solve "the residency problem." One reasonable method is that set forth in SB 209. Any method that requires one year of prior residence is likely to withstand court challenge. The requirement, at most state-supported universities, that out-of-state students pay a higher tuition (the "nonresident" rate) until they have resided in the state a year, is structurally analogous. In contrast, limiting loans to graduates of Alaska high schools would set up de facto sex and age discrimination having no rational relation to the objective sought, and is unlikely to withstand court challenge.

The reason I oppose such a restriction is that it would exclude significant groups of Alaska residents from participating in the student loan program. This would occur, no matter whether the applicant is Alaska-born, has been an Alaska resident for many years, or even a State employee.

The kinds of groups that would be excluded would be, for example:

- 1) Veterans who decided to remain in Alaska and later needed to finish their four-year degree or obtain graduate or professional training.
- 2) Women who have lost their husbands, raised their families, and realize they must complete their four-year degree program in order to support themselves the rest of their lives.
- 3) Alaskans of both sexes and all ages who obtained their high school diploma through a G.E.D. certificate rather than through graduation from any high school.

4) Alaskans of both sexes and all ages who, in mid-life, return to college for a graduate degree, professional degree or special technical training. I can think of several State employees who took a year or two off to obtain graduate degrees in economics or political science -- skills a developing state like Alaska needs. I myself did not go to law school until I was past 40, and many around me were in the same situation. In today's world, educational needs do not end with simply going straight through grade school, high school and directly into college.

5) Permanent seasonal employees of, e.g., the Department of Fish and Game, who work as field technicians in the summer when the Department's employment requirements are at a peak, and are full-time college students, completing their degree program, during the school year.

These are a few examples; I am sure you can think of others. You will, no doubt, think of individuals you know who fit into these or similarly excluded categories, if a provision limiting loans to graduates of Alaska high schools is enacted.

Other aspects of the student loan program do need fine tuning, and I have no objection to any of the other aspects being considered in the bills that are now before this committee.

Thank you for considering my thoughts.

Sincerely,


Elizabeth Cuadra

STATE OF ALASKA

Bill
Bill
Bill
BILL SHEFFIELD, GOVERNOR *Vic*

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

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M E M O R A N D U M

TO: Members of the Senate HESS Committee
Senator Joe Josephson, Chairman
Senator Vic Fischer
Senator Rick Halford
Senator Paul Fischer
Senator Pappy Moss

FROM: Kerry D. Romesburg, Executive Director
Alaska Commission on Postsecondary Education

DATE: March 31, 1983

At the HESS Committee meeting on student loans, a number of questions were raised. We are still preparing responses to the vocational program questions and the tuition rate questions, but we now have talked with Assistant Attorney General Bruce Botelho, our counsel, and can respond to Senator Vic Fischer's question on religious schools. Senator Fischer specifically asked if students with loans to attend such schools as: the Alaska Bible College, the Far North Bible College, Charismatic Bible College, and St. Herman's Theological Seminary, are studying religious programs, and if so, were loans for such study legal.

In checking I find that the students are indeed studying programs of a religious nature. For example, the students in a four-year program at St. Herman's receive a diploma which qualifies them for "church reader" and some stage of the "priesthood." The Far North Bible College and the Alaska Bible College offer an AA degree in the Bible. Alaska Bible also offers a BA degree in Pastoral, Missions, and Christian Education.

Are loans for such study legal? According to Mr. Botelho, the loans are not only legal, but the Commission can not deny loans on a sectarian basis. The Commission must administer the loan program in a neutral manner; and as long as the instruction is truly postsecondary in nature (and/or vocational), and the institution is operating legally, the loans must be made to eligible students. Mr. Botelho indicates that it would require a statutory change to deny these loans.

OK Lets do it!
G-B
Joe?