

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

CSHB 39 cont. 212

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORISINATION

Version A

LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE          |            | SYSTEM     |           | BOND       |         | TOTAL       | EXPENSES (b) | DEBT       | NEW | COVERAGE   |       |
|------------------------|----------------|------------|------------|-----------|------------|---------|-------------|--------------|------------|-----|------------|-------|
|                        | APPROPRIATIONS | EQUITY (a) | PROCEEDS   | AVAILABLE | FUNDS      | SERVICE | LOANS       |              |            |     |            |       |
|                        | 1              | +          | 2          | +         | 3          | =       | 4           | 5            | 6          | =   | 7          | 8     |
| 1987                   | 0              |            | 0          |           | 0          |         | 0           | 0            | 0          |     | 0          | NA    |
| 1988                   | 19,000,000     |            | 19,678,108 |           | 49,490,000 |         | 88,168,108  | 6,433,700    | 1,732,150  |     | 80,002,258 | 11.36 |
| 1989                   | 18,700,000     |            | 26,202,916 |           | 46,185,000 |         | 91,087,916  | 6,004,050    | 5,080,775  |     | 80,003,091 | 5.09  |
| 1990                   | 18,400,000     |            | 33,271,654 |           | 45,485,000 |         | 97,156,654  | 5,571,550    | 11,584,700 |     | 80,000,404 | 2.81  |
| 1991                   | 18,100,000     |            | 40,627,219 |           | 44,155,000 |         | 102,882,219 | 5,052,150    | 17,826,775 |     | 80,003,294 | 2.22  |
| 1992                   | 17,800,000     |            | 48,253,906 |           | 42,325,000 |         | 108,378,906 | 4,445,250    | 23,932,625 |     | 80,000,831 | 1.77  |
| 1993                   | 17,650,000     |            | 55,861,367 |           | 40,025,000 |         | 113,596,367 | 3,765,050    | 29,831,125 |     | 80,000,192 | 1.82  |
| 1994                   | 17,500,000     |            | 62,594,016 |           | 38,220,000 |         | 118,614,016 | 3,114,600    | 35,496,900 |     | 80,002,616 | 1.73  |
| 1995                   | 17,350,000     |            | 68,966,334 |           | 37,160,000 |         | 123,496,334 | 2,554,400    | 40,939,250 |     | 80,002,684 | 1.64  |
| 1996                   | 17,200,000     |            | 73,712,082 |           | 37,500,000 |         | 128,412,082 | 2,150,000    | 46,261,650 |     | 80,000,432 | 1.55  |
| 1997                   | 17,200,000     |            | 77,171,817 |           | 39,140,000 |         | 133,511,817 | 1,888,200    | 51,620,300 |     | 80,003,317 | 1.46  |
| 1998                   | 17,200,000     |            | 79,662,867 |           | 42,085,000 |         | 138,947,867 | 1,756,550    | 57,188,100 |     | 80,003,217 | 1.36  |
| 1999                   | 17,200,000     |            | 81,412,167 |           | 46,280,000 |         | 144,892,167 | 1,734,400    | 63,157,100 |     | 80,000,667 | 1.26  |
| 2000                   | 17,200,000     |            | 82,545,764 |           | 44,130,000 |         | 143,875,764 | 1,559,400    | 62,315,625 |     | 80,000,739 | 1.29  |
| 2001                   | 17,200,000     |            | 88,290,467 |           | 43,080,000 |         | 142,570,467 | 1,457,400    | 62,110,800 |     | 80,002,267 | 1.31  |
| 2002                   | 17,200,000     |            | 83,616,117 |           | 42,395,000 |         | 143,211,117 | 1,410,350    | 61,797,025 |     | 80,003,742 | 1.32  |
| 2003                   | 17,200,000     |            | 83,701,527 |           | 42,070,000 |         | 142,971,527 | 1,400,600    | 61,568,975 |     | 80,001,952 | 1.33  |
| 2004                   | 17,200,000     |            | 83,733,446 |           | 42,020,000 |         | 142,953,446 | 1,406,600    | 61,543,550 |     | 80,003,296 | 1.33  |
| 2005                   | 17,200,000     |            | 83,743,719 |           | 42,310,000 |         | 143,253,719 | 1,426,800    | 61,824,775 |     | 80,002,144 | 1.32  |
| 2006                   | 17,200,000     |            | 83,754,872 |           | 42,905,000 |         | 143,859,872 | 1,458,150    | 62,399,750 |     | 80,001,972 | 1.31  |
| 2007                   | 17,200,000     |            | 83,766,970 |           | 43,740,000 |         | 144,706,970 | 1,498,700    | 63,204,875 |     | 80,003,395 | 1.29  |
| 2008                   | 17,200,000     |            | 83,780,111 |           | 44,625,000 |         | 145,605,111 | 1,541,750    | 64,061,200 |     | 80,002,161 | 1.27  |
| 2009                   | 17,200,000     |            | 83,794,367 |           | 45,395,000 |         | 146,389,367 | 1,582,350    | 64,804,425 |     | 80,002,592 | 1.26  |
| 2010                   | 17,200,000     |            | 83,809,838 |           | 45,835,000 |         | 146,844,838 | 1,613,050    | 65,229,900 |     | 80,001,888 | 1.25  |
| 2011                   | 17,200,000     |            | 83,826,538 |           | 45,715,000 |         | 146,741,538 | 1,626,450    | 65,112,450 |     | 80,002,638 | 1.25  |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Base Case. Default Rate at 17%.

Minimum Coverage: 1.25

Bonding at  
1.50 Coverage

| Year | Loan<br>Volume | General Fund<br>Requirement | General Fund<br>With Bonding | Savings (Cost)<br>With Bonding |
|------|----------------|-----------------------------|------------------------------|--------------------------------|
| 1988 | 80,000,000     | 60,321,892                  | 21,100,000                   | 39,221,892                     |
| 1989 | 80,000,000     | 54,143,514                  | 21,080,000                   | 33,063,514                     |
| 1990 | 80,000,000     | 47,398,105                  | 21,060,000                   | 26,338,105                     |
| 1991 | 80,000,000     | 40,337,129                  | 21,040,000                   | 19,297,129                     |
| 1992 | 80,000,000     | 32,971,523                  | 21,020,000                   | 11,951,523                     |
| 1993 | 80,000,000     | 25,586,565                  | 21,020,000                   | 4,566,565                      |
| 1994 | 80,000,000     | 18,753,470                  | 21,020,000                   | (2,286,530)                    |
| 1995 | 80,000,000     | 12,799,080                  | 21,020,000                   | (8,220,920)                    |
| 1996 | 80,000,000     | 8,154,215                   | 21,020,000                   | (12,865,785)                   |
| 1997 | 80,000,000     | 4,766,372                   | 20,720,000                   | (15,953,628)                   |
| 1998 | 80,000,000     | 2,325,478                   | 20,420,000                   | (18,094,522)                   |
| 1999 | 80,000,000     | 610,972                     | 20,120,000                   | (19,509,028)                   |
| 2000 | 80,000,000     | (498,228)                   | 19,820,000                   | (20,318,228)                   |
| 2001 | 80,000,000     | (1,226,315)                 | 19,520,000                   | (20,746,315)                   |
| 2002 | 80,000,000     | (1,540,351)                 | 19,220,000                   | (20,760,351)                   |
| 2003 | 80,000,000     | (1,616,123)                 | 18,920,000                   | (20,536,123)                   |
| 2004 | 80,000,000     | (1,638,354)                 | 18,620,000                   | (20,258,354)                   |
| 2005 | 80,000,000     | (1,638,354)                 | 18,320,000                   | (19,958,354)                   |
| 2006 | 80,000,000     | (1,638,354)                 | 18,020,000                   | (19,658,354)                   |
| 2007 | 80,000,000     | (1,638,354)                 | 17,720,000                   | (19,358,354)                   |
| 2008 | 80,000,000     | (1,638,354)                 | 17,420,000                   | (19,058,354)                   |
| 2009 | 80,000,000     | (1,638,354)                 | 17,120,000                   | (18,758,354)                   |
| 2010 | 80,000,000     | (1,638,354)                 | 16,820,000                   | (18,458,354)                   |
| 2011 | 80,000,000     | (1,638,354)                 | 16,520,000                   | (18,158,354)                   |
|      | 1,920,000,000  | 290,160,468                 | 468,680,000                  | (178,519,532)                  |

Present Value:  
8.000%

16,162,776

ALASKA COMMISSION ON POSTSECONDARY EDUCATION.  
ALASKA STUDENT LOAN PROGRAM  
SUMMARY OF NEW LOAN ORIGINATION

Version A  
LOAN RATE:  
8.00%

| YEAR<br>ENDING<br>6/30 | STATE      |   | SYSTEM     |   | BOND       |   | TOTAL       |   | EXPENSES (b) | DEBT |            | NEW<br>LOANS | COVERAGE |
|------------------------|------------|---|------------|---|------------|---|-------------|---|--------------|------|------------|--------------|----------|
|                        | 1          | + | 2          | + | 3          | = | 4           | - |              | 5    | -          |              |          |
| 1987                   |            | 0 |            | 0 |            | 0 |             | 0 |              | 0    |            | 0            | NA       |
| 1988                   | 21,100,000 |   | 19,678,108 |   | 46,975,000 |   | 87,753,108  |   | 6,106,750    |      | 1,644,125  | 80,002,233   | 11.97    |
| 1989                   | 21,080,000 |   | 26,185,311 |   | 43,145,000 |   | 90,410,311  |   | 5,608,850    |      | 4,798,325  | 80,003,136   | 5.39     |
| 1990                   | 21,060,000 |   | 33,232,769 |   | 41,705,000 |   | 95,997,769  |   | 5,097,150    |      | 10,899,500 | 80,001,119   | 2.99     |
| 1991                   | 21,040,000 |   | 40,563,064 |   | 39,525,000 |   | 101,128,064 |   | 4,490,250    |      | 16,637,175 | 80,000,639   | 2.38     |
| 1992                   | 21,020,000 |   | 48,160,152 |   | 36,745,000 |   | 105,925,152 |   | 3,798,850    |      | 22,134,025 | 80,002,277   | 2.12     |
| 1993                   | 21,020,000 |   | 55,733,360 |   | 33,570,000 |   | 110,323,360 |   | 3,024,300    |      | 27,295,425 | 80,003,335   | 1.99     |
| 1994                   | 21,020,000 |   | 62,727,847 |   | 30,625,000 |   | 114,372,847 |   | 2,290,750    |      | 32,088,250 | 80,003,847   | 1.91     |
| 1995                   | 21,020,000 |   | 68,757,746 |   | 28,350,000 |   | 118,127,746 |   | 1,617,500    |      | 36,508,400 | 80,001,946   | 1.84     |
| 1996                   | 21,020,000 |   | 73,456,543 |   | 27,270,000 |   | 121,746,543 |   | 1,100,100    |      | 40,645,550 | 80,000,893   | 1.77     |
| 1997                   | 20,720,000 |   | 76,864,413 |   | 27,840,000 |   | 125,424,413 |   | 782,700      |      | 44,640,875 | 80,000,838   | 1.69     |
| 1998                   | 20,420,000 |   | 79,301,909 |   | 29,535,000 |   | 129,256,909 |   | 588,050      |      | 48,668,200 | 80,000,659   | 1.60     |
| 1999                   | 20,120,000 |   | 80,995,758 |   | 32,305,000 |   | 133,420,758 |   | 495,650      |      | 52,923,175 | 80,001,933   | 1.50     |
| 2000                   | 19,820,000 |   | 82,071,906 |   | 28,905,000 |   | 130,796,906 |   | 253,650      |      | 50,542,725 | 80,000,531   | 1.59     |
| 2001                   | 19,520,000 |   | 82,757,061 |   | 26,485,000 |   | 128,762,061 |   | 78,550       |      | 48,682,400 | 80,001,111   | 1.67     |
| 2002                   | 19,220,000 |   | 83,020,911 |   | 24,345,000 |   | 126,585,911 |   | (46,650)     |      | 46,629,850 | 80,002,711   | 1.75     |
| 2003                   | 18,920,000 |   | 83,042,216 |   | 22,480,000 |   | 124,442,216 |   | (139,600)    |      | 44,578,000 | 80,003,816   | 1.83     |
| 2004                   | 18,620,000 |   | 83,007,431 |   | 20,805,000 |   | 122,432,431 |   | (222,850)    |      | 42,651,650 | 80,003,631   | 1.91     |
| 2005                   | 18,320,000 |   | 82,948,153 |   | 19,375,000 |   | 120,643,153 |   | (297,750)    |      | 40,937,550 | 80,003,353   | 1.99     |
| 2006                   | 18,020,000 |   | 82,386,651 |   | 18,165,000 |   | 119,071,651 |   | (367,550)    |      | 39,435,525 | 80,003,676   | 2.07     |
| 2007                   | 17,720,000 |   | 82,822,822 |   | 17,105,000 |   | 117,647,822 |   | (434,850)    |      | 38,079,350 | 80,003,322   | 2.14     |
| 2008                   | 17,420,000 |   | 82,756,544 |   | 16,045,000 |   | 116,221,544 |   | (504,650)    |      | 36,722,450 | 80,003,744   | 2.22     |
| 2009                   | 17,120,000 |   | 82,687,677 |   | 14,730,000 |   | 114,537,677 |   | (586,100)    |      | 35,122,550 | 80,001,227   | 2.32     |
| 2010                   | 16,820,000 |   | 82,615,951 |   | 12,975,000 |   | 112,410,951 |   | (684,750)    |      | 33,091,850 | 80,003,851   | 2.47     |
| 2011                   | 16,520,000 |   | 82,540,986 |   | 10,555,000 |   | 109,615,986 |   | (809,350)    |      | 30,421,850 | 80,003,486   | 2.68     |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Base Case. Default Rate at 17%.

Minimum Coverage: 1.50

Bonding at  
1.80 Coverage

| Year | Loan<br>Volume | General Fund<br>Requirement | General Fund<br>With Bonding | Savings(Cost)<br>With Bonding |
|------|----------------|-----------------------------|------------------------------|-------------------------------|
| 1988 | 80,000,000     | 60,321,892                  | 24,000,000                   | 36,321,892                    |
| 1989 | 80,000,000     | 54,143,514                  | 23,900,000                   | 30,243,514                    |
| 1990 | 80,000,000     | 47,398,105                  | 23,800,000                   | 23,598,105                    |
| 1991 | 80,000,000     | 40,337,129                  | 23,700,000                   | 16,637,129                    |
| 1992 | 80,000,000     | 32,971,523                  | 23,600,000                   | 9,371,523                     |
| 1993 | 80,000,000     | 25,586,565                  | 23,450,000                   | 2,136,565                     |
| 1994 | 80,000,000     | 18,733,470                  | 23,300,000                   | (4,566,530)                   |
| 1995 | 80,000,000     | 12,799,080                  | 23,150,000                   | (10,350,920)                  |
| 1996 | 80,000,000     | 8,154,215                   | 23,000,000                   | (14,845,785)                  |
| 1997 | 80,000,000     | 4,766,372                   | 22,500,000                   | (17,733,628)                  |
| 1998 | 80,000,000     | 2,325,478                   | 22,000,000                   | (19,674,522)                  |
| 1999 | 80,000,000     | 610,972                     | 21,500,000                   | (20,889,028)                  |
| 2000 | 80,000,000     | (498,228)                   | 21,000,000                   | (21,498,228)                  |
| 2001 | 80,000,000     | (1,226,315)                 | 20,500,000                   | (21,726,315)                  |
| 2002 | 80,000,000     | (1,540,351)                 | 20,000,000                   | (21,540,351)                  |
| 2003 | 80,000,000     | (1,616,123)                 | 19,500,000                   | (21,116,123)                  |
| 2004 | 80,000,000     | (1,638,354)                 | 19,000,000                   | (20,638,354)                  |
| 2005 | 80,000,000     | (1,638,354)                 | 18,500,000                   | (20,138,354)                  |
| 2006 | 80,000,000     | (1,638,354)                 | 18,000,000                   | (19,638,354)                  |
| 2007 | 80,000,000     | (1,638,354)                 | 15,933,102                   | (17,571,456)                  |
| 2008 | 80,000,000     | (1,638,354)                 | 13,539,869                   | (15,178,223)                  |
| 2009 | 80,000,000     | (1,638,354)                 | 11,143,083                   | (12,781,437)                  |
| 2010 | 80,000,000     | (1,638,354)                 | 8,642,509                    | (10,280,863)                  |
| 2011 | 80,000,000     | (1,638,354)                 | 5,924,046                    | (7,562,400)                   |
|      | 1,920,000,000  | 290,160,468                 | 469,582,610                  | (179,422,142)                 |

Present Value: 8.000%

2,112,115

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
ALASKA STUDENT LOAN PROGRAM  
SUMMARY OF NEW LOAN ORIGINATION

Version A

LOAN RATE:  
9.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS<br>1 + | SYSTEM<br>EQUITY (a)<br>2 + | BOND<br>PROCEEDS<br>3 = | TOTAL<br>FUNDS<br>AVAILABLE<br>4 - | EXPENSES (b)<br>5 - | DEBT<br>SERVICE<br>6 = | NEW<br>LOANS<br>7 | COVERAGE<br>8 |
|------------------------|--------------------------------|-----------------------------|-------------------------|------------------------------------|---------------------|------------------------|-------------------|---------------|
| 1987                   | 0                              | 0                           | 0                       | 0                                  | 0                   | 0                      | 0                 | NA            |
| 1988                   | 24,000,000                     | 19,678,108                  | 43,500,000              | 87,178,108                         | 5,655,000           | 1,522,500              | 80,000,608        | 12.92         |
| 1989                   | 23,900,000                     | 26,160,986                  | 39,505,000              | 29,565,986                         | 5,135,650           | 4,427,675              | 80,002,661        | 5.84          |
| 1990                   | 23,800,000                     | 33,182,939                  | 37,640,000              | 94,622,939                         | 4,592,700           | 10,027,575             | 80,002,664        | 3.25          |
| 1991                   | 23,700,000                     | 40,486,415                  | 34,990,000              | 99,176,415                         | 3,951,700           | 15,220,500             | 80,004,215        | 2.61          |
| 1992                   | 23,600,000                     | 48,055,233                  | 31,660,000              | 103,315,233                        | 3,211,300           | 20,102,725             | 90,001,258        | 2.34          |
| 1993                   | 23,450,000                     | 55,598,779                  | 27,955,000              | 107,003,779                        | 2,415,650           | 24,586,200             | 80,001,929        | 2.21          |
| 1994                   | 23,300,000                     | 62,562,522                  | 24,390,000              | 110,252,522                        | 1,636,200           | 29,614,725             | 80,001,607        | 2.14          |
| 1995                   | 23,150,000                     | 68,560,517                  | 21,415,000              | 113,125,517                        | 933,950             | 32,188,325             | 80,003,242        | 2.09          |
| 1996                   | 23,000,000                     | 73,226,010                  | 19,530,000              | 115,756,010                        | 372,400             | 35,380,625             | 80,002,985        | 2.03          |
| 1997                   | 22,500,000                     | 76,599,116                  | 19,240,000              | 118,337,116                        | 13,200              | 38,323,500             | 80,002,416        | 1.96          |
| 1998                   | 22,000,000                     | 79,000,763                  | 19,945,000              | 120,945,763                        | (228,650)           | 41,171,650             | 80,002,763        | 1.89          |
| 1999                   | 21,500,000                     | 80,657,645                  | 21,580,000              | 123,737,645                        | (374,600)           | 44,109,500             | 80,002,745        | 1.80          |
| 2000                   | 21,000,000                     | 81,695,581                  | 17,425,000              | 120,120,581                        | (658,750)           | 40,778,275             | 80,001,056        | 1.97          |
| 2001                   | 20,500,000                     | 82,341,182                  | 14,130,000              | 116,971,182                        | (081,100)           | 37,848,000             | 80,004,282        | 2.15          |
| 2002                   | 20,000,000                     | 82,563,997                  | 11,055,000              | 113,618,997                        | (1,057,850)         | 34,674,925             | 80,001,922        | 2.35          |
| 2003                   | 19,500,000                     | 82,542,536                  | 8,190,000               | 110,232,536                        | (1,205,200)         | 31,435,575             | 80,002,761        | 2.60          |
| 2004                   | 19,000,000                     | 82,463,134                  | 5,450,000               | 106,913,134                        | (1,348,000)         | 29,258,525             | 80,002,609        | 2.89          |
| 2005                   | 18,500,000                     | 82,357,329                  | 2,885,000               | 103,742,329                        | (1,485,950)         | 25,224,125             | 80,004,154        | 3.24          |
| 2006                   | 18,000,000                     | 82,247,305                  | 460,000                 | 100,707,305                        | (1,624,200)         | 22,330,450             | 80,001,055        | 3.66          |
| 2007                   | 15,933,102                     | 82,132,723                  | 0                       | 98,065,825                         | (1,519,500)         | 19,580,325             | 80,005,000        | 4.17          |
| 2008                   | 13,539,869                     | 82,026,406                  | 0                       | 95,566,275                         | (1,353,500)         | 16,914,775             | 80,005,000        | 4.83          |
| 2009                   | 11,143,083                     | 81,931,717                  | 0                       | 93,074,800                         | (1,175,000)         | 14,244,800             | 80,005,000        | 5.73          |
| 2010                   | 8,642,509                      | 81,849,516                  | 0                       | 90,492,025                         | (971,500)           | 11,458,525             | 80,005,000        | 7.12          |
| 2011                   | 5,924,046                      | 81,781,654                  | 0                       | 87,705,700                         | (728,000)           | 8,428,700              | 90,005,000        | 9.69          |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Base Case. Default Rate at 17%.

Minimum Coverage: 1.80

\$80,000,000 Loan Volume  
General Fund Appropriations  
Bonding vs. Non-Bonding  
Present Value Savings (Cost) at 8.00%  
Version D  
Forgiveness and Grace Period Eliminated

| Coverage | PV Savings (Cost) |
|----------|-------------------|
| -----    | -----             |
| 1.25     | 33,388,009        |
| 1.50     | 20,644,280        |
| 1.80     | 2,061,906         |

Bonding at  
1.25 Coverage

| Year | Loan Volume   | General Fund Requirement | General Fund With Bonding | Savings(Cost) With Bonding |
|------|---------------|--------------------------|---------------------------|----------------------------|
| 1988 | 80,000,000    | 60,321,892               | 13,500,000                | 46,821,892                 |
| 1989 | 80,000,000    | 54,143,514               | 12,450,000                | 41,493,514                 |
| 1990 | 80,000,000    | 47,096,857               | 11,800,000                | 35,296,857                 |
| 1991 | 80,000,000    | 39,292,802               | 10,950,000                | 28,342,802                 |
| 1992 | 80,000,000    | 30,481,204               | 10,100,000                | 20,381,204                 |
| 1993 | 80,000,000    | 21,228,507               | 9,600,000                 | 11,628,507                 |
| 1994 | 80,000,000    | 12,407,258               | 9,100,000                 | 3,307,258                  |
| 1995 | 80,000,000    | 4,464,547                | 8,600,000                 | (4,135,453)                |
| 1996 | 80,000,000    | (2,188,640)              | 8,100,000                 | (10,288,640)               |
| 1997 | 80,000,000    | (7,584,804)              | 8,000,000                 | (15,584,804)               |
| 1998 | 80,000,000    | (12,034,020)             | 7,900,000                 | (19,934,020)               |
| 1999 | 80,000,000    | (15,756,847)             | 7,800,000                 | (23,556,847)               |
| 2000 | 80,000,000    | (18,573,120)             | 7,700,000                 | (26,273,120)               |
| 2001 | 80,000,000    | (20,566,450)             | 7,600,000                 | (28,166,450)               |
| 2002 | 80,000,000    | (21,442,816)             | 7,500,000                 | (28,942,816)               |
| 2003 | 80,000,000    | (21,659,170)             | 7,400,000                 | (29,059,170)               |
| 2004 | 80,000,000    | (21,721,568)             | 7,300,000                 | (29,021,568)               |
| 2005 | 80,000,000    | (21,721,568)             | 7,200,000                 | (28,921,568)               |
| 2006 | 80,000,000    | (21,721,568)             | 7,100,000                 | (28,821,568)               |
| 2007 | 80,000,000    | (21,721,568)             | 7,000,000                 | (28,721,568)               |
| 2008 | 80,000,000    | (21,721,568)             | 6,900,000                 | (28,621,568)               |
| 2009 | 80,000,000    | (21,721,568)             | 6,800,000                 | (28,521,568)               |
| 2010 | 80,000,000    | (21,721,568)             | 6,700,000                 | (28,421,568)               |
| 2011 | 80,000,000    | (21,721,568)             | 6,600,000                 | (28,321,568)               |
|      | 1,920,000,000 | (24,141,830)             | 203,900,000               | (228,041,830)              |

Present Value:  
8.000%

33,388,009

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version D

LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS |            | SYSTEM<br>EQUITY (a) |             | BOND<br>PROCEEDS |            | TOTAL<br>FUNDS<br>AVAILABLE |             | EXPENSES (b) |           | DEBT<br>SERVICE |            | NEW<br>LOANS |            | COVERAGE<br>8 |
|------------------------|-------------------------|------------|----------------------|-------------|------------------|------------|-----------------------------|-------------|--------------|-----------|-----------------|------------|--------------|------------|---------------|
|                        | 1                       | +          | 2                    | +           | 3                | =          | 4                           | -           | 5            | -         | 6               | =          | 7            |            |               |
| 1987                   |                         | 0          |                      | 0           |                  | 0          |                             | 0           |              | 0         |                 | 0          |              | 0          | NA            |
| 1988                   |                         | 13,500,000 |                      | 19,678,108  |                  | 56,075,000 |                             | 89,253,108  |              | 7,289,750 |                 | 1,962,625  |              | 80,000,733 | 10.03         |
| 1989                   |                         | 12,650,000 |                      | 26,249,011  |                  | 53,925,000 |                             | 92,824,011  |              | 7,010,250 |                 | 5,812,625  |              | 80,001,136 | 4.45          |
| 1990                   |                         | 11,800,000 |                      | 33,673,157  |                  | 54,585,000 |                             | 100,058,157 |              | 6,709,050 |                 | 13,345,025 |              | 80,004,082 | 2.47          |
| 1991                   |                         | 10,950,000 |                      | 41,832,260  |                  | 54,260,000 |                             | 107,042,260 |              | 6,263,300 |                 | 20,777,475 |              | 80,001,485 | 1.96          |
| 1992                   |                         | 10,100,000 |                      | 50,968,484  |                  | 52,780,000 |                             | 113,848,484 |              | 5,630,900 |                 | 28,216,525 |              | 80,001,059 | 1.75          |
| 1993                   |                         | 9,600,000  |                      | 60,504,719  |                  | 50,255,000 |                             | 120,359,719 |              | 4,829,650 |                 | 35,525,850 |              | 80,004,219 | 1.65          |
| 1994                   |                         | 9,100,000  |                      | 69,558,786  |                  | 47,980,000 |                             | 126,638,786 |              | 4,033,400 |                 | 42,601,450 |              | 80,003,936 | 1.59          |
| 1995                   |                         | 8,600,000  |                      | 77,683,372  |                  | 46,440,000 |                             | 132,723,372 |              | 3,310,200 |                 | 49,410,300 |              | 80,002,872 | 1.53          |
| 1996                   |                         | 8,100,000  |                      | 84,471,058  |                  | 46,210,000 |                             | 138,781,058 |              | 2,730,800 |                 | 56,046,825 |              | 80,003,433 | 1.47          |
| 1997                   |                         | 8,000,000  |                      | 89,961,737  |                  | 46,915,000 |                             | 144,876,737 |              | 2,239,950 |                 | 62,633,775 |              | 80,003,012 | 1.40          |
| 1998                   |                         | 7,900,000  |                      | 94,469,672  |                  | 48,840,000 |                             | 151,209,672 |              | 1,862,200 |                 | 69,344,100 |              | 80,003,372 | 1.33          |
| 1999                   |                         | 7,800,000  |                      | 98,220,705  |                  | 51,870,000 |                             | 157,890,705 |              | 1,573,600 |                 | 76,314,175 |              | 80,002,930 | 1.25          |
| 2000                   |                         | 7,700,000  |                      | 101,038,603 |                  | 47,750,000 |                             | 156,488,603 |              | 1,123,000 |                 | 75,361,975 |              | 80,003,628 | 1.31          |
| 2001                   |                         | 7,600,000  |                      | 103,010,630 |                  | 44,850,000 |                             | 155,460,630 |              | 784,500   |                 | 74,672,300 |              | 80,003,830 | 1.35          |
| 2002                   |                         | 7,500,000  |                      | 103,847,975 |                  | 42,660,000 |                             | 154,007,975 |              | 580,300   |                 | 73,426,125 |              | 80,001,570 | 1.38          |
| 2003                   |                         | 7,400,000  |                      | 104,015,594 |                  | 40,940,000 |                             | 152,355,594 |              | 458,200   |                 | 71,896,800 |              | 80,000,594 | 1.41          |
| 2004                   |                         | 7,300,000  |                      | 104,024,219 |                  | 39,340,000 |                             | 150,664,219 |              | 353,200   |                 | 70,307,850 |              | 80,003,169 | 1.45          |
| 2005                   |                         | 7,200,000  |                      | 103,966,385 |                  | 37,950,000 |                             | 149,116,385 |              | 258,000   |                 | 68,855,225 |              | 80,003,160 | 1.48          |
| 2006                   |                         | 7,100,000  |                      | 103,904,721 |                  | 36,685,000 |                             | 147,689,721 |              | 163,050   |                 | 67,523,925 |              | 80,002,746 | 1.51          |
| 2007                   |                         | 7,000,000  |                      | 103,838,946 |                  | 35,460,000 |                             | 146,298,946 |              | 65,300    |                 | 66,231,325 |              | 80,002,321 | 1.54          |
| 2008                   |                         | 6,900,000  |                      | 103,768,924 |                  | 34,080,000 |                             | 144,748,924 |              | (42,100)  |                 | 64,789,275 |              | 80,001,749 | 1.57          |
| 2009                   |                         | 6,800,000  |                      | 103,694,347 |                  | 32,395,000 |                             | 142,889,347 |              | (164,650) |                 | 63,053,925 |              | 80,000,072 | 1.61          |
| 2010                   |                         | 6,700,000  |                      | 103,614,705 |                  | 30,185,000 |                             | 140,499,705 |              | (309,450) |                 | 60,805,900 |              | 80,003,255 | 1.67          |
| 2011                   |                         | 6,600,000  |                      | 103,529,506 |                  | 27,200,000 |                             | 137,329,506 |              | (486,500) |                 | 57,814,775 |              | 80,001,231 | 1.76          |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Forgiveness Eliminated, Interest Grace Period Reduced, Default Rate Raised to 21%.

Minimum Coverage: 1.25

Bonding at  
1.50 Coverage

| Year | Loan Volume   | General Fund Requirement | General Fund With Bonding | Savings(Cost) With Bonding |
|------|---------------|--------------------------|---------------------------|----------------------------|
| 1988 | 80,000,000    | 60,321,892               | 16,600,000                | 43,721,892                 |
| 1989 | 80,000,000    | 54,143,514               | 16,200,000                | 37,943,514                 |
| 1990 | 80,000,000    | 47,096,857               | 15,800,000                | 31,296,857                 |
| 1991 | 80,000,000    | 39,292,802               | 15,400,000                | 23,892,802                 |
| 1992 | 80,000,000    | 30,481,204               | 15,000,000                | 15,481,204                 |
| 1993 | 80,000,000    | 21,228,507               | 14,000,000                | 7,228,507                  |
| 1994 | 80,000,000    | 12,407,258               | 13,000,000                | (592,742)                  |
| 1995 | 80,000,000    | 4,464,547                | 12,000,000                | (7,535,453)                |
| 1996 | 80,000,000    | (2,188,640)              | 11,000,000                | (13,188,640)               |
| 1997 | 80,000,000    | (7,584,804)              | 10,000,000                | (17,584,804)               |
| 1998 | 80,000,000    | (12,034,020)             | 9,000,000                 | (21,034,020)               |
| 1999 | 80,000,000    | (15,756,847)             | 8,000,000                 | (23,756,847)               |
| 2000 | 80,000,000    | (18,573,120)             | 7,000,000                 | (25,573,120)               |
| 2001 | 80,000,000    | (20,564,450)             | 6,000,000                 | (26,564,450)               |
| 2002 | 80,000,000    | (21,442,815)             | 5,000,000                 | (26,442,815)               |
| 2003 | 80,000,000    | (21,559,170)             | 4,000,000                 | (25,659,170)               |
| 2004 | 80,000,000    | (21,721,568)             | 3,000,000                 | (24,721,568)               |
| 2005 | 80,000,000    | (21,721,568)             | 2,000,000                 | (23,721,568)               |
| 2006 | 80,000,000    | (21,721,568)             | 1,000,000                 | (22,721,568)               |
| 2007 | 80,000,000    | (21,721,568)             | 0                         | (21,721,568)               |
| 2008 | 80,000,000    | (21,721,568)             | 0                         | (21,721,568)               |
| 2009 | 80,000,000    | (21,721,568)             | 0                         | (21,721,568)               |
| 2010 | 80,000,000    | (21,721,568)             | 0                         | (21,721,568)               |
| 2011 | 80,000,000    | (21,721,568)             | 0                         | (21,721,568)               |
|      | 1,920,000,000 | (24,141,830)             | 184,000,000               | (208,141,830)              |

Present Value:  
8.000%

20,644,280

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version D

LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE          |             | SYSTEM     |             | BOND      |              | TOTAL      |       | EXPENSES (b) |  | DEBT |  | NEW |  | COVERAGE |
|------------------------|----------------|-------------|------------|-------------|-----------|--------------|------------|-------|--------------|--|------|--|-----|--|----------|
|                        | APPROPRIATIONS | EQUITY (a)  | PROCEEDS   | FUNDS       | AVAILABLE | EXPENSES (b) | SERVICE    | LOANS | COVERAGE     |  |      |  |     |  |          |
|                        | 1              | 2           | 3          | 4           | 5         | 6            | 7          | 8     |              |  |      |  |     |  |          |
| 1987                   | 0              | 0           | 0          | 0           | 0         | 0            | 0          | NA    |              |  |      |  |     |  |          |
| 1988                   | 16,600,000     | 19,678,108  | 52,365,000 | 88,643,108  | 6,807,450 | 1,832,775    | 80,002,883 | 10.74 |              |  |      |  |     |  |          |
| 1989                   | 16,200,000     | 26,223,041  | 49,395,000 | 91,818,041  | 6,421,350 | 5,394,375    | 80,002,316 | 4.79  |              |  |      |  |     |  |          |
| 1990                   | 15,800,000     | 33,615,518  | 48,905,000 | 98,320,518  | 5,996,150 | 12,323,350   | 80,001,018 | 2.67  |              |  |      |  |     |  |          |
| 1991                   | 15,400,000     | 41,736,728  | 47,290,000 | 104,426,728 | 5,416,200 | 19,007,623   | 80,002,903 | 2.14  |              |  |      |  |     |  |          |
| 1992                   | 15,000,000     | 50,828,363  | 44,335,000 | 110,163,363 | 4,636,050 | 25,523,850   | 80,003,463 | 1.94  |              |  |      |  |     |  |          |
| 1993                   | 14,000,000     | 60,312,744  | 41,260,000 | 115,572,744 | 3,819,800 | 31,749,650   | 80,003,294 | 1.85  |              |  |      |  |     |  |          |
| 1994                   | 13,000,000     | 69,315,006  | 38,290,000 | 120,605,006 | 3,004,200 | 37,597,775   | 80,003,031 | 1.80  |              |  |      |  |     |  |          |
| 1995                   | 12,000,000     | 77,387,941  | 35,965,000 | 125,352,941 | 2,258,950 | 43,090,200   | 80,003,791 | 1.75  |              |  |      |  |     |  |          |
| 1996                   | 11,000,000     | 84,124,121  | 34,820,000 | 129,944,121 | 1,652,600 | 48,291,000   | 80,000,521 | 1.70  |              |  |      |  |     |  |          |
| 1997                   | 10,000,000     | 89,563,262  | 34,965,000 | 134,528,262 | 1,193,450 | 53,334,373   | 80,000,437 | 1.64  |              |  |      |  |     |  |          |
| 1998                   | 9,000,000      | 94,022,961  | 36,215,000 | 139,237,961 | 847,450   | 58,386,300   | 80,004,211 | 1.58  |              |  |      |  |     |  |          |
| 1999                   | 8,000,000      | 97,729,361  | 38,475,000 | 144,204,361 | 590,750   | 63,610,423   | 80,003,186 | 1.51  |              |  |      |  |     |  |          |
| 2000                   | 7,000,000      | 100,506,379 | 34,035,000 | 141,541,379 | 191,050   | 61,347,700   | 80,002,629 | 1.61  |              |  |      |  |     |  |          |
| 2001                   | 6,000,000      | 102,441,727 | 30,850,000 | 139,291,727 | (91,000)  | 59,381,425   | 80,001,302 | 1.69  |              |  |      |  |     |  |          |
| 2002                   | 5,000,000      | 103,247,077 | 28,520,000 | 136,767,077 | (228,400) | 56,991,250   | 80,004,227 | 1.78  |              |  |      |  |     |  |          |
| 2003                   | 4,000,000      | 103,387,644 | 26,805,000 | 134,192,644 | (274,350) | 54,464,375   | 80,002,619 | 1.87  |              |  |      |  |     |  |          |
| 2004                   | 3,000,000      | 103,374,621 | 25,420,000 | 131,794,621 | (290,900) | 52,083,175   | 80,002,346 | 1.93  |              |  |      |  |     |  |          |
| 2005                   | 2,000,000      | 103,300,865 | 24,350,000 | 129,650,865 | (288,000) | 49,937,975   | 80,000,890 | 2.04  |              |  |      |  |     |  |          |
| 2006                   | 1,000,000      | 103,229,542 | 23,550,000 | 127,779,542 | (273,000) | 48,048,675   | 80,003,867 | 2.12  |              |  |      |  |     |  |          |
| 2007                   | 0              | 103,160,887 | 22,960,000 | 126,120,887 | (248,700) | 46,367,723   | 80,001,862 | 2.19  |              |  |      |  |     |  |          |
| 2008                   | 0              | 103,095,197 | 21,245,000 | 124,340,197 | (374,150) | 44,710,575   | 80,003,772 | 2.28  |              |  |      |  |     |  |          |
| 2009                   | 0              | 103,024,363 | 19,320,000 | 122,344,363 | (512,400) | 42,854,350   | 80,002,413 | 2.37  |              |  |      |  |     |  |          |
| 2010                   | 0              | 102,948,020 | 16,930,000 | 119,878,020 | (672,100) | 40,549,150   | 80,000,970 | 2.51  |              |  |      |  |     |  |          |
| 2011                   | 0              | 102,865,525 | 13,865,000 | 116,730,525 | (860,550) | 37,589,375   | 80,001,700 | 2.71  |              |  |      |  |     |  |          |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Forgiveness Eliminated, Interest Grace Period Reduced. Default Rate Raised to 21%.

Minimum Coverage: 1.51

Bonding at  
1.80 Coverage

| Year | Loan<br>Volume | General Fund<br>Requirement | General Fund<br>With Bonding | Savings(Cost)<br>With Bonding |
|------|----------------|-----------------------------|------------------------------|-------------------------------|
| 1988 | 80,000,000     | 60,321,892                  | 19,000,000                   | 41,321,892                    |
| 1989 | 80,000,000     | 54,143,514                  | 18,750,000                   | 35,393,514                    |
| 1990 | 80,000,000     | 47,096,857                  | 18,500,000                   | 28,596,857                    |
| 1991 | 80,000,000     | 39,292,802                  | 18,250,000                   | 21,042,802                    |
| 1992 | 80,000,000     | 30,481,204                  | 18,000,000                   | 12,481,204                    |
| 1993 | 80,000,000     | 21,228,507                  | 17,250,000                   | 3,978,507                     |
| 1994 | 80,000,000     | 12,407,258                  | 16,500,000                   | (4,092,742)                   |
| 1995 | 80,000,000     | 4,464,547                   | 15,750,000                   | (11,285,453)                  |
| 1996 | 80,000,000     | (2,188,640)                 | 15,000,000                   | (17,188,640)                  |
| 1997 | 80,000,000     | (7,584,804)                 | 13,600,000                   | (21,184,804)                  |
| 1998 | 80,000,000     | (12,034,020)                | 12,200,000                   | (24,234,020)                  |
| 1999 | 80,000,000     | (15,756,847)                | 10,800,000                   | (26,556,847)                  |
| 2000 | 80,000,000     | (18,573,120)                | 9,400,000                    | (27,973,120)                  |
| 2001 | 80,000,000     | (20,566,450)                | 8,000,000                    | (28,566,450)                  |
| 2002 | 80,000,000     | (21,442,816)                | 6,600,000                    | (28,042,816)                  |
| 2003 | 80,000,000     | (21,659,170)                | 5,200,000                    | (26,859,170)                  |
| 2004 | 80,000,000     | (21,721,568)                | 3,800,000                    | (25,521,568)                  |
| 2005 | 80,000,000     | (21,721,568)                | 2,400,000                    | (24,121,568)                  |
| 2006 | 80,000,000     | (21,721,568)                | 1,000,000                    | (22,721,568)                  |
| 2007 | 80,000,000     | (21,721,568)                | (2,169,964)                  | (19,551,604)                  |
| 2008 | 80,000,000     | (21,721,568)                | (5,191,171)                  | (16,530,397)                  |
| 2009 | 80,000,000     | (21,721,568)                | (8,118,910)                  | (13,602,658)                  |
| 2010 | 80,000,000     | (21,721,568)                | (11,075,153)                 | (10,646,415)                  |
| 2011 | 80,000,000     | (21,721,568)                | (14,159,806)                 | (7,561,762)                   |
|      | 1,920,000,000  | (24,141,830)                | 189,284,997                  | (213,426,827)                 |

Present Value:  
8.000%

2,061,906

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version D

LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE          |             | SYSTEM     |             | BOND         |            | TOTAL FUNDS |       | DEBT |  | NEW |  | COVERAGE |
|------------------------|----------------|-------------|------------|-------------|--------------|------------|-------------|-------|------|--|-----|--|----------|
|                        | APPROPRIATIONS | EQUITY (a)  | PROCEEDS   | AVAILABLE   | EXPENSES (b) | SERVICE    | LOANS       |       |      |  |     |  |          |
|                        | 1 +            | 2 +         | 3 =        | 4 -         | 5 -          | 6 =        | 7           | 8     |      |  |     |  |          |
| 1987                   | 0              | 0           | 0          | 0           | 0            | 0          | 0           | NA    |      |  |     |  |          |
| 1988                   | 19,000,000     | 19,678,108  | 49,490,000 | 88,168,108  | 6,433,700    | 1,732,150  | 80,002,258  | 11.36 |      |  |     |  |          |
| 1989                   | 18,750,000     | 26,202,916  | 46,125,000 | 91,077,916  | 5,996,250    | 3,078,675  | 80,002,791  | 5.09  |      |  |     |  |          |
| 1990                   | 18,500,000     | 33,572,491  | 45,000,000 | 97,072,491  | 5,508,500    | 11,563,525 | 80,000,466  | 2.85  |      |  |     |  |          |
| 1991                   | 18,250,000     | 41,667,762  | 42,675,000 | 102,592,762 | 4,860,250    | 17,732,000 | 80,000,512  | 2.30  |      |  |     |  |          |
| 1992                   | 18,000,000     | 50,730,152  | 38,910,000 | 107,640,152 | 4,005,300    | 23,633,300 | 80,001,552  | 2.10  |      |  |     |  |          |
| 1993                   | 17,250,000     | 60,181,725  | 34,795,000 | 112,226,725 | 3,091,350    | 29,133,225 | 80,002,150  | 2.02  |      |  |     |  |          |
| 1994                   | 16,500,000     | 69,146,458  | 30,640,000 | 116,286,458 | 2,168,200    | 34,117,000 | 80,001,238  | 1.98  |      |  |     |  |          |
| 1995                   | 15,750,000     | 77,176,744  | 26,965,000 | 119,891,744 | 1,304,950    | 38,582,750 | 80,004,044  | 1.96  |      |  |     |  |          |
| 1996                   | 15,000,000     | 83,864,828  | 24,280,000 | 123,144,828 | 568,400      | 42,575,350 | 80,001,078  | 1.93  |      |  |     |  |          |
| 1997                   | 13,600,000     | 89,230,046  | 23,445,000 | 126,295,046 | 66,850       | 46,226,575 | 80,001,621  | 1.89  |      |  |     |  |          |
| 1998                   | 12,200,000     | 93,654,965  | 23,520,000 | 129,374,965 | (329,400)    | 49,701,550 | 80,002,815  | 1.85  |      |  |     |  |          |
| 1999                   | 10,800,000     | 97,305,635  | 24,440,000 | 132,545,635 | (642,800)    | 53,187,700 | 80,000,735  | 1.80  |      |  |     |  |          |
| 2000                   | 9,400,000      | 100,025,814 | 18,915,000 | 128,340,814 | (1,091,550)  | 49,430,450 | 80,001,914  | 1.99  |      |  |     |  |          |
| 2001                   | 8,000,000      | 101,903,116 | 14,520,000 | 124,423,116 | (1,427,900)  | 45,847,575 | 80,003,441  | 2.19  |      |  |     |  |          |
| 2002                   | 6,600,000      | 102,649,087 | 10,895,000 | 120,144,087 | (1,624,650)  | 41,767,325 | 80,001,412  | 2.43  |      |  |     |  |          |
| 2003                   | 5,200,000      | 102,728,859 | 7,810,000  | 115,738,859 | (1,733,200)  | 37,470,675 | 80,001,384  | 2.71  |      |  |     |  |          |
| 2004                   | 3,800,000      | 102,653,623 | 4,975,000  | 111,428,623 | (1,816,750)  | 33,243,950 | 80,001,423  | 3.06  |      |  |     |  |          |
| 2005                   | 2,400,000      | 102,516,141 | 2,400,000  | 107,316,141 | (1,884,000)  | 29,196,250 | 80,003,891  | 3.48  |      |  |     |  |          |
| 2006                   | 1,000,000      | 102,379,278 | 45,000     | 103,424,278 | (1,943,650)  | 25,365,900 | 80,002,028  | 4.01  |      |  |     |  |          |
| 2007                   | (2,164,964)    | 102,243,114 | 0          | 100,073,150 | (1,720,000)  | 21,788,150 | 80,005,000  | 4.67  |      |  |     |  |          |
| 2008                   | (5,191,171)    | 102,122,721 | 0          | 96,931,550  | (1,496,000)  | 18,422,550 | 80,005,000  | 5.52  |      |  |     |  |          |
| 2009                   | (8,118,910)    | 102,018,085 | 0          | 93,899,175  | (1,266,500)  | 15,160,675 | 80,005,000  | 6.71  |      |  |     |  |          |
| 2010                   | (11,075,153)   | 101,929,603 | 0          | 90,854,450  | (1,017,000)  | 11,866,450 | 80,005,000  | 8.57  |      |  |     |  |          |
| 2011                   | (14,159,806)   | 101,858,731 | 0          | 87,698,925  | (734,500)    | 8,428,425  | 80,005,000  | 12.07 |      |  |     |  |          |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Forgiveness Eliminated, Interest Grace Period Reduced. Default Rate Raised to 21%.

Minimum Coverage: 1.80

\$80,000,000 Loan Volume  
General Fund Appropriations  
Bonding vs. Non-Bonding  
Present Value Savings (Cost) at 8.00%  
1.25 Coverage

| <u>Version</u> | <u>PV Savings (Cost)</u> |
|----------------|--------------------------|
| A              | 44,226,115               |
| B              | 37,006,503               |
| C              | 42,948,832               |
| D              | 33,388,009               |

Bonding at  
1.25 Coverage

| Year | Loan<br>Volume | General Fund<br>Requirement | General Fund<br>With Bonding | Savings (Cost)<br>With Bonding |
|------|----------------|-----------------------------|------------------------------|--------------------------------|
| 1988 | 80,000,000     | 60,321,892                  | 19,000,000                   | 41,321,892                     |
| 1989 | 80,000,000     | 54,143,514                  | 18,700,000                   | 35,443,514                     |
| 1990 | 80,000,000     | 47,398,105                  | 18,400,000                   | 28,998,105                     |
| 1991 | 80,000,000     | 40,337,129                  | 18,100,000                   | 22,237,129                     |
| 1992 | 80,000,000     | 32,971,523                  | 17,800,000                   | 15,171,523                     |
| 1993 | 80,000,000     | 25,586,565                  | 17,650,000                   | 7,936,565                      |
| 1994 | 80,000,000     | 18,733,470                  | 17,500,000                   | 1,233,470                      |
| 1995 | 80,000,000     | 12,799,080                  | 17,350,000                   | (4,550,920)                    |
| 1996 | 80,000,000     | 8,154,215                   | 17,200,000                   | (9,045,785)                    |
| 1997 | 80,000,000     | 4,766,372                   | 17,200,000                   | (12,433,628)                   |
| 1998 | 80,000,000     | 2,325,478                   | 17,200,000                   | (14,874,522)                   |
| 1999 | 80,000,000     | 610,972                     | 17,200,000                   | (16,589,028)                   |
| 2000 | 80,000,000     | (498,228)                   | 17,200,000                   | (17,698,228)                   |
| 2001 | 80,000,000     | (1,226,315)                 | 17,200,000                   | (18,426,315)                   |
| 2002 | 80,000,000     | (1,540,351)                 | 17,200,000                   | (18,740,351)                   |
| 2003 | 80,000,000     | (1,616,123)                 | 17,200,000                   | (18,816,123)                   |
| 2004 | 80,000,000     | (1,638,354)                 | 17,200,000                   | (18,838,354)                   |
| 2005 | 80,000,000     | (1,638,354)                 | 17,200,000                   | (18,838,354)                   |
| 2006 | 80,000,000     | (1,638,354)                 | 17,200,000                   | (18,838,354)                   |
| 2007 | 80,000,000     | (1,638,354)                 | 17,200,000                   | (18,838,354)                   |
| 2008 | 80,000,000     | (1,638,354)                 | 17,200,000                   | (18,838,354)                   |
| 2009 | 80,000,000     | (1,638,354)                 | 17,200,000                   | (18,838,354)                   |
| 2010 | 80,000,000     | (1,638,354)                 | 17,200,000                   | (18,838,354)                   |
| 2011 | 80,000,000     | (1,638,354)                 | 17,200,000                   | (18,838,354)                   |
|      | 1,920,000,000  | 290,160,468                 | 419,700,000                  | (129,539,532)                  |

Present Value:  
8.000%

42,568,799

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version A

LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS<br>1 + | SYSTEM<br>EQUITY (a)<br>2 + | BOND<br>PROCEEDS<br>3 = | TOTAL<br>FUNDS<br>AVAILABLE<br>4 - | EXPENSES (b)<br>5 - | DEBT<br>SERVICE<br>6 = | NEW<br>LOANS<br>7 | COVERAGE<br>8 |
|------------------------|--------------------------------|-----------------------------|-------------------------|------------------------------------|---------------------|------------------------|-------------------|---------------|
| 1987                   | 0                              | 0                           | 0                       | 0                                  | 0                   | 0                      | 0                 | NA            |
| 1988                   | 19,000,000                     | 19,678,108                  | 49,490,000              | 88,168,108                         | 6,433,700           | 1,732,150              | 80,002,258        | 11.36         |
| 1989                   | 18,700,000                     | 26,202,916                  | 46,185,000              | 91,087,916                         | 6,004,050           | 5,080,775              | 80,003,091        | 5.09          |
| 1990                   | 18,400,000                     | 33,271,654                  | 45,485,000              | 97,156,654                         | 5,571,550           | 11,584,700             | 80,000,404        | 2.81          |
| 1991                   | 18,100,000                     | 40,627,219                  | 44,155,000              | 102,882,219                        | 5,052,150           | 17,826,775             | 80,003,294        | 2.22          |
| 1992                   | 17,800,000                     | 48,253,906                  | 42,325,000              | 108,378,906                        | 4,445,250           | 23,932,825             | 80,000,831        | 1.97          |
| 1993                   | 17,650,000                     | 55,861,367                  | 40,085,000              | 113,596,367                        | 3,765,050           | 29,831,125             | 80,000,192        | 1.82          |
| 1994                   | 17,500,000                     | 62,894,016                  | 38,220,000              | 118,614,016                        | 3,114,600           | 35,496,800             | 80,002,616        | 1.73          |
| 1995                   | 17,350,000                     | 68,966,334                  | 37,180,000              | 123,496,334                        | 2,554,400           | 40,939,250             | 80,002,684        | 1.64          |
| 1996                   | 17,200,000                     | 73,712,082                  | 37,500,000              | 128,412,082                        | 2,150,000           | 46,261,650             | 80,000,432        | 1.53          |
| 1997                   | 17,200,000                     | 77,171,817                  | 39,140,000              | 133,511,817                        | 1,888,200           | 51,620,340             | 80,003,317        | 1.46          |
| 1998                   | 17,200,000                     | 79,662,867                  | 42,085,000              | 138,947,867                        | 1,756,550           | 57,188,100             | 80,003,217        | 1.36          |
| 1999                   | 17,200,000                     | 81,412,167                  | 46,280,000              | 144,892,167                        | 1,734,400           | 63,157,100             | 80,000,667        | 1.26          |
| 2000                   | 17,200,000                     | 82,545,764                  | 44,130,000              | 143,875,764                        | 1,559,400           | 62,315,625             | 80,000,739        | 1.29          |
| 2001                   | 17,200,000                     | 83,290,467                  | 43,080,000              | 143,570,467                        | 1,457,400           | 62,110,800             | 80,002,267        | 1.31          |
| 2002                   | 17,200,000                     | 83,616,117                  | 42,395,000              | 143,211,117                        | 1,410,350           | 61,797,025             | 80,003,742        | 1.32          |
| 2003                   | 17,200,000                     | 83,701,527                  | 42,070,000              | 142,971,527                        | 1,400,600           | 61,568,975             | 80,001,952        | 1.33          |
| 2004                   | 17,200,000                     | 83,733,446                  | 42,020,000              | 142,953,446                        | 1,406,600           | 61,543,550             | 80,003,296        | 1.33          |
| 2005                   | 17,200,000                     | 83,743,719                  | 42,310,000              | 143,253,719                        | 1,426,800           | 61,824,775             | 80,002,144        | 1.32          |
| 2006                   | 17,200,000                     | 83,754,872                  | 42,905,000              | 143,859,872                        | 1,458,150           | 62,399,750             | 80,001,772        | 1.31          |
| 2007                   | 17,200,000                     | 83,766,970                  | 43,740,000              | 144,706,970                        | 1,498,700           | 63,204,875             | 80,003,395        | 1.29          |
| 2008                   | 17,200,000                     | 83,780,111                  | 44,625,000              | 145,605,111                        | 1,541,750           | 64,061,200             | 80,002,161        | 1.27          |
| 2009                   | 17,200,000                     | 83,774,367                  | 45,375,000              | 146,389,367                        | 1,582,350           | 64,804,425             | 80,002,592        | 1.26          |
| 2010                   | 17,200,000                     | 83,809,838                  | 45,835,000              | 146,844,838                        | 1,613,050           | 65,229,900             | 80,001,888        | 1.25          |
| 2011                   | 17,200,000                     | 83,826,538                  | 45,715,000              | 146,741,538                        | 1,626,450           | 65,112,450             | 80,002,638        | 1.25          |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Base Case. Default Rate at 17%.

Minimum Coverage: 1.25

Bonding at  
1.25 Coverage

| Year | Loan<br>Volume | General Fund<br>Requirement | General Fund<br>With Bonding | Savings(Cost)<br>With Bonding |
|------|----------------|-----------------------------|------------------------------|-------------------------------|
| 1988 | 80,000,000     | 60,321,892                  | 14,000,000                   | 46,321,892                    |
| 1989 | 80,000,000     | 54,143,514                  | 13,750,000                   | 40,393,514                    |
| 1990 | 80,000,000     | 47,191,997                  | 13,500,000                   | 33,691,997                    |
| 1991 | 80,000,000     | 39,622,622                  | 13,250,000                   | 26,372,622                    |
| 1992 | 80,000,000     | 31,267,698                  | 13,000,000                   | 18,267,698                    |
| 1993 | 80,000,000     | 22,604,872                  | 12,750,000                   | 9,854,872                     |
| 1994 | 80,000,000     | 14,405,207                  | 12,500,000                   | 1,905,207                     |
| 1995 | 80,000,000     | 7,096,765                   | 12,250,000                   | (5,153,235)                   |
| 1996 | 80,000,000     | 1,077,848                   | 12,000,000                   | (10,922,152)                  |
| 1997 | 80,000,000     | (3,684,047)                 | 11,750,000                   | (15,434,047)                  |
| 1998 | 80,000,000     | (7,498,993)                 | 11,500,000                   | (18,998,993)                  |
| 1999 | 80,000,000     | (10,587,550)                | 11,250,000                   | (21,837,550)                  |
| 2000 | 80,000,000     | (12,864,695)                | 11,000,000                   | (23,864,695)                  |
| 2001 | 80,000,000     | (14,458,435)                | 10,750,000                   | (25,208,435)                  |
| 2002 | 80,000,000     | (15,157,205)                | 10,500,000                   | (25,657,205)                  |
| 2003 | 80,000,000     | (15,329,161)                | 10,250,000                   | (25,579,161)                  |
| 2004 | 80,000,000     | (15,378,873)                | 10,000,000                   | (25,378,873)                  |
| 2005 | 80,000,000     | (15,378,873)                | 9,750,000                    | (25,128,873)                  |
| 2006 | 80,000,000     | (15,378,873)                | 9,500,000                    | (24,878,873)                  |
| 2007 | 80,000,000     | (15,378,873)                | 9,250,000                    | (24,628,873)                  |
| 2008 | 80,000,000     | (15,378,873)                | 9,000,000                    | (24,378,873)                  |
| 2009 | 80,000,000     | (15,378,873)                | 8,750,000                    | (24,128,873)                  |
| 2010 | 80,000,000     | (15,378,873)                | 8,500,000                    | (23,878,873)                  |
| 2011 | 80,000,000     | (15,378,873)                | 8,250,000                    | (23,628,873)                  |
|      | 1,920,000,000  | 75,121,348                  | 267,000,000                  | (191,878,652)                 |

Present Value:  
8.000%

37,006,503

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version 8

LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS |   | SYSTEM<br>EQUITY (a) |   | BOND<br>PROCEEDS |   | TOTAL<br>FUNDS<br>AVAILABLE |   | EXPENSES (b) | DEBT<br>SERVICE |            | NEW<br>LOANS | COVERAGE |
|------------------------|-------------------------|---|----------------------|---|------------------|---|-----------------------------|---|--------------|-----------------|------------|--------------|----------|
|                        | 1                       | + | 2                    | + | 3                | = | 4                           | - |              | 5               | -          |              |          |
| 1987                   |                         | 0 |                      | 0 |                  | 0 |                             | 0 |              | 0               |            | 0            | NA       |
| 1988                   | 14,000,000              |   | 19,678,108           |   | 55,480,000       |   | 89,158,108                  |   | 7,212,400    |                 | 1,941,800  | 80,003,909   | 10.13    |
| 1989                   | 13,750,000              |   | 26,244,846           |   | 52,565,000       |   | 92,559,846                  |   | 6,833,450    |                 | 5,723,375  | 80,003,021   | 4.52     |
| 1990                   | 13,500,000              |   | 33,564,388           |   | 52,470,000       |   | 99,534,388                  |   | 5,438,100    |                 | 13,095,550 | 80,000,738   | 2.51     |
| 1991                   | 13,250,000              |   | 41,474,400           |   | 51,450,000       |   | 106,174,400                 |   | 5,912,900    |                 | 20,261,925 | 80,000,475   | 1.99     |
| 1992                   | 13,000,000              |   | 50,135,373           |   | 49,440,000       |   | 112,575,373                 |   | 5,226,200    |                 | 27,345,950 | 80,003,223   | 1.78     |
| 1993                   | 12,750,000              |   | 59,060,462           |   | 46,860,000       |   | 118,670,462                 |   | 4,439,800    |                 | 34,227,900 | 80,002,762   | 1.68     |
| 1994                   | 12,500,000              |   | 67,472,707           |   | 44,535,000       |   | 124,507,707                 |   | 3,664,050    |                 | 40,839,600 | 80,004,057   | 1.61     |
| 1995                   | 12,250,000              |   | 74,944,300           |   | 42,950,000       |   | 130,144,308                 |   | 2,964,500    |                 | 47,176,000 | 80,003,808   | 1.55     |
| 1996                   | 12,000,000              |   | 81,030,848           |   | 42,660,000       |   | 135,740,848                 |   | 2,409,800    |                 | 53,328,100 | 80,002,948   | 1.48     |
| 1997                   | 11,750,000              |   | 85,922,218           |   | 43,775,000       |   | 141,447,218                 |   | 2,007,750    |                 | 59,436,675 | 80,002,793   | 1.41     |
| 1998                   | 11,500,000              |   | 89,786,190           |   | 46,135,000       |   | 147,421,190                 |   | 1,725,050    |                 | 65,694,100 | 80,002,040   | 1.33     |
| 1999                   | 11,250,000              |   | 92,899,030           |   | 49,665,000       |   | 153,814,030                 |   | 1,539,950    |                 | 72,270,950 | 80,003,130   | 1.25     |
| 2000                   | 11,000,000              |   | 95,179,963           |   | 46,080,000       |   | 152,259,963                 |   | 1,188,900    |                 | 71,070,725 | 80,000,338   | 1.21     |
| 2001                   | 10,750,000              |   | 96,760,334           |   | 43,740,000       |   | 151,250,334                 |   | 941,200      |                 | 70,308,150 | 80,000,984   | 1.34     |
| 2002                   | 10,500,000              |   | 97,433,149           |   | 42,050,000       |   | 149,983,149                 |   | 806,000      |                 | 69,173,875 | 80,003,274   | 1.38     |
| 2003                   | 10,250,000              |   | 97,573,199           |   | 40,845,000       |   | 148,668,199                 |   | 741,350      |                 | 67,925,050 | 80,001,799   | 1.40     |
| 2004                   | 10,000,000              |   | 97,589,027           |   | 39,880,000       |   | 147,469,027                 |   | 696,900      |                 | 66,770,825 | 90,001,302   | 1.43     |
| 2005                   | 9,750,000               |   | 97,554,053           |   | 39,210,000       |   | 146,514,053                 |   | 667,300      |                 | 65,842,850 | 80,003,903   | 1.45     |
| 2006                   | 9,500,000               |   | 97,518,362           |   | 38,770,000       |   | 145,788,362                 |   | 644,100      |                 | 65,143,050 | 80,001,212   | 1.46     |
| 2007                   | 9,250,000               |   | 97,481,924           |   | 38,500,000       |   | 145,231,924                 |   | 626,500      |                 | 64,601,425 | 80,003,999   | 1.48     |
| 2008                   | 9,000,000               |   | 97,444,763           |   | 38,210,000       |   | 144,654,763                 |   | 606,800      |                 | 64,047,625 | 80,000,338   | 1.49     |
| 2009                   | 8,750,000               |   | 97,406,904           |   | 37,715,000       |   | 143,871,904                 |   | 579,950      |                 | 63,290,775 | 80,001,179   | 1.51     |
| 2010                   | 8,500,000               |   | 97,368,211           |   | 36,790,000       |   | 142,658,211                 |   | 537,700      |                 | 62,119,650 | 80,000,861   | 1.54     |
| 2011                   | 8,250,000               |   | 97,328,512           |   | 35,210,000       |   | 140,788,512                 |   | 472,800      |                 | 60,312,325 | 80,003,387   | 1.58     |

NOTES: (a) System Equity consists of recycling of repayments on old loans

(b) Debt Service Reserve (3% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Forgiveness Eliminated. Default Rate Raised to 20%.

Minimum Coverage: 1.25

Bonding at  
1.25 Coverage

| Year | Loan<br>Volume | General Fund<br>Requirement | General Fund<br>With Bonding | Savings (Cost)<br>With Bonding |
|------|----------------|-----------------------------|------------------------------|--------------------------------|
| 1988 | 80,000,000     | 60,321,892                  | 16,800,000                   | 43,521,892                     |
| 1989 | 80,000,000     | 54,143,514                  | 16,600,000                   | 37,543,514                     |
| 1990 | 80,000,000     | 47,316,073                  | 16,400,000                   | 30,916,073                     |
| 1991 | 80,000,000     | 40,052,752                  | 16,200,000                   | 23,852,752                     |
| 1992 | 80,000,000     | 32,293,393                  | 16,000,000                   | 16,293,393                     |
| 1993 | 80,000,000     | 24,399,838                  | 15,800,000                   | 8,599,838                      |
| 1994 | 80,000,000     | 17,010,803                  | 15,600,000                   | 1,410,803                      |
| 1995 | 80,000,000     | 10,529,534                  | 15,400,000                   | (4,870,466)                    |
| 1996 | 80,000,000     | 5,337,790                   | 15,200,000                   | (9,862,210)                    |
| 1997 | 80,000,000     | 1,403,069                   | 15,000,000                   | (13,596,931)                   |
| 1998 | 80,000,000     | (1,584,704)                 | 14,800,000                   | (16,384,704)                   |
| 1999 | 80,000,000     | (3,846,088)                 | 14,600,000                   | (18,446,088)                   |
| 2000 | 80,000,000     | (5,420,135)                 | 14,400,000                   | (19,820,135)                   |
| 2001 | 80,000,000     | (6,492,756)                 | 14,200,000                   | (20,692,756)                   |
| 2002 | 80,000,000     | (6,959,918)                 | 14,000,000                   | (20,959,918)                   |
| 2003 | 80,000,000     | (7,073,971)                 | 13,800,000                   | (20,873,971)                   |
| 2004 | 80,000,000     | (7,107,140)                 | 13,600,000                   | (20,707,140)                   |
| 2005 | 80,000,000     | (7,107,140)                 | 13,400,000                   | (20,507,140)                   |
| 2006 | 80,000,000     | (7,107,140)                 | 13,200,000                   | (20,307,140)                   |
| 2007 | 80,000,000     | (7,107,140)                 | 13,000,000                   | (20,107,140)                   |
| 2008 | 80,000,000     | (7,107,140)                 | 12,800,000                   | (19,907,140)                   |
| 2009 | 80,000,000     | (7,107,140)                 | 12,600,000                   | (19,707,140)                   |
| 2010 | 80,000,000     | (7,107,140)                 | 12,400,000                   | (19,507,140)                   |
| 2011 | 80,000,000     | (7,107,140)                 | 12,200,000                   | (19,307,140)                   |
|      | 1,920,000,000  | 204,573,965                 | 348,000,000                  | (143,424,035)                  |

Present Value:  
8.000%

42,948,832

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version C  
 LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS |   | SYSTEM<br>EQUITY (a) |   | BOND<br>PROCEEDS | TOTAL<br>FUNDS<br>AVAILABLE | EXPENSES (b) | DEBT<br>SERVICE | NEW<br>LOANS | COVERAGE |            |   |   |       |
|------------------------|-------------------------|---|----------------------|---|------------------|-----------------------------|--------------|-----------------|--------------|----------|------------|---|---|-------|
|                        | 1                       | + | 2                    | + | 3                | =                           | 4            | -               | 5            | -        | 6          | = | 7 | 8     |
| 1987                   |                         | 0 |                      | 0 | 0                |                             | 0            |                 | 0            |          | 0          |   | 0 | NA    |
| 1988                   | 16,800,000              |   | 19,678,108           |   | 52,125,000       |                             | 88,603,108   | 5,776,250       | 1,324,375    |          | 80,002,483 |   |   | 10.79 |
| 1989                   | 16,600,000              |   | 25,221,361           |   | 48,900,000       |                             | 91,721,361   | 6,357,000       | 5,360,250    |          | 80,004,111 |   |   | 4.82  |
| 1990                   | 16,400,000              |   | 33,391,142           |   | 48,380,000       |                             | 98,171,142   | 5,929,400       | 12,239,050   |          | 80,002,692 |   |   | 2.67  |
| 1991                   | 16,200,000              |   | 40,968,050           |   | 47,090,000       |                             | 104,258,050  | 5,395,700       | 18,860,400   |          | 80,001,950 |   |   | 2.12  |
| 1992                   | 16,000,000              |   | 49,005,456           |   | 45,105,000       |                             | 110,111,456  | 4,745,650       | 25,361,825   |          | 80,003,981 |   |   | 1.88  |
| 1993                   | 15,800,000              |   | 57,137,796           |   | 42,740,000       |                             | 115,677,796  | 4,023,700       | 31,653,725   |          | 80,000,371 |   |   | 1.76  |
| 1994                   | 15,600,000              |   | 64,719,058           |   | 40,695,000       |                             | 121,014,058  | 3,323,850       | 37,689,300   |          | 80,000,908 |   |   | 1.67  |
| 1995                   | 15,400,000              |   | 71,347,802           |   | 39,450,000       |                             | 125,197,802  | 2,709,500       | 43,484,450   |          | 80,003,652 |   |   | 1.60  |
| 1996                   | 15,200,000              |   | 76,646,610           |   | 39,535,000       |                             | 131,381,610  | 2,246,050       | 49,134,550   |          | 80,001,010 |   |   | 1.52  |
| 1997                   | 15,000,000              |   | 80,655,737           |   | 41,085,000       |                             | 136,740,737  | 1,943,550       | 54,794,400   |          | 80,002,787 |   |   | 1.43  |
| 1998                   | 14,800,000              |   | 83,693,458           |   | 43,920,000       |                             | 142,413,458  | 1,767,600       | 60,645,750   |          | 80,000,106 |   |   | 1.33  |
| 1999                   | 14,600,000              |   | 85,986,590           |   | 48,000,000       |                             | 148,586,590  | 1,699,000       | 66,883,900   |          | 80,003,690 |   |   | 1.25  |
| 2000                   | 14,400,000              |   | 87,578,927           |   | 45,405,000       |                             | 147,383,927  | 1,472,150       | 65,908,050   |          | 80,003,727 |   |   | 1.30  |
| 2001                   | 14,200,000              |   | 88,659,336           |   | 43,995,000       |                             | 146,854,336  | 1,331,850       | 65,520,750   |          | 80,001,736 |   |   | 1.32  |
| 2002                   | 14,000,000              |   | 89,127,333           |   | 43,100,000       |                             | 146,227,333  | 1,272,000       | 64,952,600   |          | 80,002,733 |   |   | 1.34  |
| 2003                   | 13,800,000              |   | 89,239,884           |   | 42,655,000       |                             | 145,694,884  | 1,265,650       | 64,425,350   |          | 80,003,884 |   |   | 1.35  |
| 2004                   | 13,600,000              |   | 89,272,070           |   | 42,505,000       |                             | 145,377,070  | 1,278,650       | 64,096,675   |          | 80,001,745 |   |   | 1.36  |
| 2005                   | 13,400,000              |   | 89,272,351           |   | 42,720,000       |                             | 145,392,351  | 1,309,100       | 64,082,525   |          | 80,000,726 |   |   | 1.36  |
| 2006                   | 13,200,000              |   | 89,274,326           |   | 43,255,000       |                             | 145,729,326  | 1,352,150       | 64,376,225   |          | 80,000,951 |   |   | 1.35  |
| 2007                   | 13,000,000              |   | 89,278,216           |   | 44,040,000       |                             | 146,318,216  | 1,405,700       | 64,909,875   |          | 80,002,641 |   |   | 1.34  |
| 2008                   | 12,800,000              |   | 89,284,160           |   | 44,910,000       |                             | 146,994,160  | 1,463,800       | 65,530,225   |          | 80,000,135 |   |   | 1.33  |
| 2009                   | 12,600,000              |   | 89,292,228           |   | 45,670,000       |                             | 147,562,228  | 1,521,100       | 66,038,350   |          | 80,002,278 |   |   | 1.32  |
| 2010                   | 12,400,000              |   | 89,302,733           |   | 46,115,000       |                             | 147,817,733  | 1,569,950       | 66,246,975   |          | 80,000,808 |   |   | 1.31  |
| 2011                   | 12,200,000              |   | 89,315,744           |   | 46,020,000       |                             | 147,535,744  | 1,603,600       | 65,930,300   |          | 80,001,844 |   |   | 1.32  |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Interest Grace Period Reduced. Default Rate Raised to 18%.

Minimum Coverage: 1.25

Bonding at  
1.25 Coverage

| Year | Loan<br>Volume | General Fund<br>Requirement | General Fund<br>With Bonding | Savings (Cost)<br>With Bonding |
|------|----------------|-----------------------------|------------------------------|--------------------------------|
| 1988 | 80,000,000     | 60,321,892                  | 13,500,000                   | 46,821,892                     |
| 1989 | 80,000,000     | 54,143,514                  | 12,650,000                   | 41,493,514                     |
| 1990 | 80,000,000     | 47,096,857                  | 11,800,000                   | 35,296,857                     |
| 1991 | 80,000,000     | 39,292,802                  | 10,950,000                   | 28,342,802                     |
| 1992 | 80,000,000     | 30,481,204                  | 10,100,000                   | 20,381,204                     |
| 1993 | 80,000,000     | 21,228,507                  | 9,600,000                    | 11,628,507                     |
| 1994 | 80,000,000     | 12,407,258                  | 9,100,000                    | 3,307,258                      |
| 1995 | 80,000,000     | 4,464,547                   | 8,600,000                    | (4,135,453)                    |
| 1996 | 80,000,000     | (2,188,640)                 | 8,100,000                    | (10,288,640)                   |
| 1997 | 80,000,000     | (7,584,804)                 | 8,000,000                    | (15,584,804)                   |
| 1998 | 80,000,000     | (12,034,020)                | 7,900,000                    | (19,934,020)                   |
| 1999 | 80,000,000     | (15,756,847)                | 7,800,000                    | (23,556,847)                   |
| 2000 | 80,000,000     | (18,573,120)                | 7,700,000                    | (26,273,120)                   |
| 2001 | 80,000,000     | (20,566,450)                | 7,600,000                    | (28,166,450)                   |
| 2002 | 80,000,000     | (21,442,816)                | 7,500,000                    | (28,942,816)                   |
| 2003 | 80,000,000     | (21,659,170)                | 7,400,000                    | (29,059,170)                   |
| 2004 | 80,000,000     | (21,721,568)                | 7,300,000                    | (29,021,568)                   |
| 2005 | 80,000,000     | (21,721,568)                | 7,200,000                    | (28,921,568)                   |
| 2006 | 80,000,000     | (21,721,568)                | 7,100,000                    | (28,821,568)                   |
| 2007 | 80,000,000     | (21,721,568)                | 7,000,000                    | (28,721,568)                   |
| 2008 | 80,000,000     | (21,721,568)                | 6,900,000                    | (28,621,568)                   |
| 2009 | 80,000,000     | (21,721,568)                | 6,800,000                    | (28,521,568)                   |
| 2010 | 80,000,000     | (21,721,568)                | 6,700,000                    | (28,421,568)                   |
| 2011 | 80,000,000     | (21,721,568)                | 6,600,000                    | (28,321,568)                   |
|      | 1,920,000,000  | (24,141,830)                | 203,900,000                  | (228,041,830)                  |

Present Value:  
8.000%

33,388,009

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version D  
 LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS |   | SYSTEM<br>EQUITY (a) |   | BOND<br>PROCEEDS |   | TOTAL<br>FUNDS<br>AVAILABLE |   | EXPENSES (b) |   | DEBT<br>SERVICE |   | NEW<br>LOANS |   | COVERAGE<br>8 |
|------------------------|-------------------------|---|----------------------|---|------------------|---|-----------------------------|---|--------------|---|-----------------|---|--------------|---|---------------|
|                        | 1                       | + | 2                    | + | 3                | = | 4                           | - | 5            | - | 6               | = | 7            |   |               |
| 1987                   |                         | 0 |                      | 0 |                  | 0 |                             | 0 |              | 0 |                 | 0 |              | 0 | NA            |
| 1988                   | 13,500,000              |   | 19,678,108           |   | 56,075,000       |   | 89,253,108                  |   | 7,289,750    |   | 1,962,625       |   | 80,000,733   |   | 10.03         |
| 1989                   | 12,650,000              |   | 26,249,011           |   | 53,925,000       |   | 92,824,011                  |   | 7,010,250    |   | 5,812,625       |   | 80,001,136   |   | 4.45          |
| 1990                   | 11,800,000              |   | 33,673,157           |   | 54,585,000       |   | 100,058,157                 |   | 6,709,050    |   | 13,345,025      |   | 80,004,082   |   | 2.47          |
| 1991                   | 10,950,000              |   | 41,832,260           |   | 54,260,000       |   | 107,042,260                 |   | 6,263,300    |   | 20,777,475      |   | 80,001,485   |   | 1.96          |
| 1992                   | 10,100,000              |   | 50,968,484           |   | 52,780,000       |   | 113,848,484                 |   | 5,630,900    |   | 28,216,525      |   | 80,001,059   |   | 1.75          |
| 1993                   | 9,600,000               |   | 60,504,719           |   | 50,255,000       |   | 120,359,719                 |   | 4,829,650    |   | 35,525,850      |   | 80,004,219   |   | 1.65          |
| 1994                   | 9,100,000               |   | 69,558,786           |   | 47,980,000       |   | 126,638,786                 |   | 4,033,400    |   | 42,601,450      |   | 80,003,936   |   | 1.59          |
| 1995                   | 8,600,000               |   | 77,683,372           |   | 46,440,000       |   | 132,723,372                 |   | 3,310,200    |   | 49,410,300      |   | 80,002,872   |   | 1.53          |
| 1996                   | 8,100,000               |   | 84,471,058           |   | 46,210,000       |   | 138,781,058                 |   | 2,730,800    |   | 56,046,825      |   | 80,003,433   |   | 1.47          |
| 1997                   | 8,000,000               |   | 89,961,737           |   | 46,915,000       |   | 144,876,737                 |   | 2,239,950    |   | 62,633,775      |   | 80,003,012   |   | 1.40          |
| 1998                   | 7,900,000               |   | 94,469,672           |   | 48,840,000       |   | 151,209,672                 |   | 1,862,200    |   | 69,344,100      |   | 80,003,372   |   | 1.33          |
| 1999                   | 7,600,000               |   | 98,220,705           |   | 51,870,000       |   | 157,890,705                 |   | 1,573,600    |   | 76,314,175      |   | 80,002,930   |   | 1.25          |
| 2000                   | 7,700,000               |   | 101,038,603          |   | 47,750,000       |   | 156,488,603                 |   | 1,123,000    |   | 75,361,975      |   | 80,003,628   |   | 1.31          |
| 2001                   | 7,600,000               |   | 103,010,630          |   | 44,850,000       |   | 155,460,630                 |   | 784,500      |   | 74,672,300      |   | 80,003,830   |   | 1.35          |
| 2002                   | 7,500,000               |   | 103,847,995          |   | 42,660,000       |   | 154,007,995                 |   | 580,300      |   | 73,426,125      |   | 80,001,570   |   | 1.38          |
| 2003                   | 7,400,000               |   | 104,015,594          |   | 40,940,000       |   | 152,355,594                 |   | 458,200      |   | 71,896,800      |   | 80,000,594   |   | 1.41          |
| 2004                   | 7,300,000               |   | 104,024,219          |   | 39,340,000       |   | 150,664,219                 |   | 353,200      |   | 70,307,850      |   | 80,003,169   |   | 1.45          |
| 2005                   | 7,200,000               |   | 103,966,385          |   | 37,950,000       |   | 149,116,385                 |   | 258,000      |   | 68,855,225      |   | 80,003,160   |   | 1.48          |
| 2006                   | 7,100,000               |   | 103,904,721          |   | 36,685,000       |   | 147,689,721                 |   | 163,050      |   | 67,523,925      |   | 80,002,746   |   | 1.51          |
| 2007                   | 7,000,000               |   | 103,838,946          |   | 35,460,000       |   | 146,298,946                 |   | 65,300       |   | 66,231,323      |   | 80,002,321   |   | 1.54          |
| 2008                   | 6,900,000               |   | 103,768,924          |   | 34,080,000       |   | 144,748,924                 |   | (42,100)     |   | 64,789,275      |   | 80,001,749   |   | 1.57          |
| 2009                   | 6,800,000               |   | 103,694,347          |   | 32,395,000       |   | 142,889,347                 |   | (164,650)    |   | 63,053,925      |   | 80,000,072   |   | 1.61          |
| 2010                   | 6,700,000               |   | 103,614,705          |   | 30,185,000       |   | 140,499,705                 |   | (309,450)    |   | 60,805,900      |   | 80,003,233   |   | 1.67          |
| 2011                   | 6,600,000               |   | 103,529,506          |   | 27,200,000       |   | 137,329,506                 |   | (486,500)    |   | 57,814,775      |   | 80,001,231   |   | 1.76          |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Forgiveness Eliminated, Interest Grace Period Reduced, Default Rate Raised to 21%.

Minimum Coverage: 1.25

Growing Annual Loans  
General Fund Appropriations

Version A (Base Case):

- o State Appropriations around \$7,850,000 per year in 2004
- o Default Rate at 17.00%
- o Forgiveness at 17.50%

Version B (Forgiveness Eliminated):

- o State receives around \$8,000,000 per year in 2004
- o Default Rate at 20.00%
- o Forgiveness Eliminated

Version C (Interest Grace Period Eliminated):

- o State Appropriations around \$1,500,000 per year in 2004
- o Default Rate at 18.00%
- o Forgiveness at 17.50%
- o Interest Begins to Accrue from Date of Separation
- o Repayment Begins 1 year after Date of Separation

Version D (Forgiveness and Interest Grace Period Eliminated):

- o State receives around \$15,500,000 per year in 2004
- o Default Rate at 21.00%
- o Forgiveness Eliminated
- o Interest Begins to Accrue from Date of Separation
- o Repayment Begins 1 year after Date of Separation

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version A

LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS |   | SYSTEM<br>EQUITY (a) |   | BOND<br>PROCEEDS |   | TOTAL<br>FUNDS<br>AVAILABLE |   | EXPENSES (b) | DEBT<br>SERVICE | NEW<br>LOANS | COVERAGE |
|------------------------|-------------------------|---|----------------------|---|------------------|---|-----------------------------|---|--------------|-----------------|--------------|----------|
|                        | 1                       | + | 2                    | + | 3                | = | 4                           | - |              |                 |              |          |
| 1987                   |                         | 0 |                      | 0 |                  | 0 |                             | 0 | 0            | 0               | 0            | NA       |
| 1988                   | 60,321,892              |   | 19,678,108           |   | 0                |   | 80,000,000                  |   | 0            | 0               | 80,000,000   | NA       |
| 1989                   | 54,489,018              |   | 25,856,486           |   | 0                |   | 80,345,504                  |   | 0            | 0               | 80,345,504   | NA       |
| 1990                   | 48,074,157              |   | 32,601,895           |   | 0                |   | 80,676,052                  |   | 0            | 0               | 80,676,052   | NA       |
| 1991                   | 41,356,405              |   | 39,668,168           |   | 0                |   | 81,024,565                  |   | 0            | 0               | 81,024,565   | NA       |
| 1992                   | 35,813,171              |   | 47,051,871           |   | 0                |   | 82,865,042                  |   | 0            | 0               | 82,865,042   | NA       |
| 1993                   | 30,861,404              |   | 54,480,030           |   | 0                |   | 85,341,434                  |   | 0            | 0               | 85,341,434   | NA       |
| 1994                   | 25,867,457              |   | 61,431,533           |   | 0                |   | 87,298,990                  |   | 0            | 0               | 87,298,990   | NA       |
| 1995                   | 20,810,818              |   | 67,564,852           |   | 0                |   | 88,375,670                  |   | 0            | 0               | 88,375,670   | NA       |
| 1996                   | 15,691,934              |   | 72,569,804           |   | 0                |   | 88,261,738                  |   | 0            | 0               | 88,261,738   | NA       |
| 1997                   | 10,498,668              |   | 76,508,505           |   | 0                |   | 87,007,173                  |   | 0            | 0               | 87,007,173   | NA       |
| 1998                   | 5,240,026               |   | 79,655,775           |   | 0                |   | 84,895,801                  |   | 0            | 0               | 84,895,801   | NA       |
| 1999                   | 6,596,843               |   | 82,151,693           |   | 0                |   | 88,748,536                  |   | 0            | 0               | 88,748,536   | NA       |
| 2000                   | 7,150,978               |   | 84,015,867           |   | 0                |   | 91,166,845                  |   | 0            | 0               | 91,166,845   | NA       |
| 2001                   | 7,324,171               |   | 85,467,450           |   | 0                |   | 92,991,621                  |   | 0            | 0               | 92,991,621   | NA       |
| 2002                   | 7,640,887               |   | 86,514,999           |   | 0                |   | 94,155,886                  |   | 0            | 0               | 94,155,886   | NA       |
| 2003                   | 7,663,824               |   | 87,467,139           |   | 0                |   | 95,130,963                  |   | 0            | 0               | 95,130,963   | NA       |
| 2004                   | 7,689,311               |   | 88,524,925           |   | 0                |   | 96,214,236                  |   | 0            | 0               | 96,214,236   | NA       |
| 2005                   | 7,716,561               |   | 89,633,371           |   | 0                |   | 97,349,932                  |   | 0            | 0               | 97,349,932   | NA       |
| 2006                   | 7,742,205               |   | 90,720,025           |   | 0                |   | 98,462,230                  |   | 0            | 0               | 98,462,230   | NA       |
| 2007                   | 7,766,572               |   | 91,731,634           |   | 0                |   | 99,498,206                  |   | 0            | 0               | 99,498,206   | NA       |
| 2008                   | 7,789,883               |   | 92,699,500           |   | 0                |   | 100,489,383                 |   | 0            | 0               | 100,489,383  | NA       |
| 2009                   | 7,814,074               |   | 93,704,290           |   | 0                |   | 101,518,364                 |   | 0            | 0               | 101,518,364  | NA       |
| 2010                   | 7,841,562               |   | 94,845,531           |   | 0                |   | 102,687,093                 |   | 0            | 0               | 102,687,093  | NA       |
| 2011                   | 7,872,264               |   | 96,119,809           |   | 0                |   | 103,992,073                 |   | 0            | 0               | 103,992,073  | NA       |

NOTES: (a) System Equity consists of recycling of repayments on old loans  
 ----- plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond  
 Issue) and Costs of Issuance (3% of Bond Issue).

Base Case. Default Rate at 17%.

Minimum Coverage: NA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version B  
 LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS | SYSTEM<br>EQUITY (a) | BOND<br>PROCEEDS | TOTAL<br>FUNDS<br>AVAILABLE | EXPENSES (b) | DEBT<br>SERVICE | NEW<br>LOANS | COVERAGE |
|------------------------|-------------------------|----------------------|------------------|-----------------------------|--------------|-----------------|--------------|----------|
|                        | 1 +                     | 2 +                  | 3 =              | 4 -                         | 5 -          | 6 =             | 7            | 8        |
| 1987                   | 0                       | 0                    | 0                | 0                           | 0            | 0               | 0            | NA       |
| 1988                   | 60,321,892              | 19,678,108           | 0                | 80,000,000                  | 0            | 0               | 80,000,000   | NA       |
| 1989                   | 54,489,010              | 25,856,486           | 0                | 80,345,504                  | 0            | 0               | 80,345,504   | NA       |
| 1990                   | 47,258,049              | 32,808,003           | 0                | 80,066,052                  | 0            | 0               | 80,066,052   | NA       |
| 1991                   | 40,641,008              | 40,393,557           | 0                | 81,034,565                  | 0            | 0               | 81,034,565   | NA       |
| 1992                   | 34,105,409              | 48,759,633           | 0                | 82,865,042                  | 0            | 0               | 82,865,042   | NA       |
| 1993                   | 27,868,502              | 57,472,932           | 0                | 85,341,434                  | 0            | 0               | 85,341,434   | NA       |
| 1994                   | 21,511,422              | 65,787,568           | 0                | 87,298,990                  | 0            | 0               | 87,298,990   | NA       |
| 1995                   | 15,047,249              | 73,328,421           | 0                | 88,375,670                  | 0            | 0               | 88,375,670   | NA       |
| 1996                   | 8,493,708               | 79,768,030           | 0                | 88,261,738                  | 0            | 0               | 88,261,738   | NA       |
| 1997                   | 1,833,675               | 85,173,498           | 0                | 87,007,173                  | 0            | 0               | 87,007,173   | NA       |
| 1998                   | (4,917,909)             | 89,813,710           | 0                | 84,895,801                  | 0            | 0               | 84,895,801   | NA       |
| 1999                   | (5,066,663)             | 93,815,199           | 0                | 88,748,536                  | 0            | 0               | 88,748,536   | NA       |
| 2000                   | (5,807,541)             | 96,974,386           | 0                | 91,166,845                  | 0            | 0               | 91,166,845   | NA       |
| 2001                   | (6,421,773)             | 99,413,394           | 0                | 92,991,621                  | 0            | 0               | 92,991,621   | NA       |
| 2002                   | (6,813,249)             | 100,969,135          | 0                | 94,155,886                  | 0            | 0               | 94,155,886   | NA       |
| 2003                   | (7,033,996)             | 102,164,959          | 0                | 95,130,963                  | 0            | 0               | 95,130,963   | NA       |
| 2004                   | (7,210,284)             | 103,424,520          | 0                | 96,214,236                  | 0            | 0               | 96,214,236   | NA       |
| 2005                   | (7,369,596)             | 104,719,528          | 0                | 97,349,932                  | 0            | 0               | 97,349,932   | NA       |
| 2006                   | (7,526,846)             | 105,989,076          | 0                | 98,462,230                  | 0            | 0               | 98,462,230   | NA       |
| 2007                   | (7,672,742)             | 107,170,948          | 0                | 99,498,206                  | 0            | 0               | 99,498,206   | NA       |
| 2008                   | (7,812,334)             | 108,301,717          | 0                | 100,489,383                 | 0            | 0               | 100,489,383  | NA       |
| 2009                   | (7,957,258)             | 109,475,622          | 0                | 101,518,364                 | 0            | 0               | 101,518,364  | NA       |
| 2010                   | (8,121,852)             | 110,808,945          | 0                | 102,687,093                 | 0            | 0               | 102,687,093  | NA       |
| 2011                   | (8,305,622)             | 112,297,695          | 0                | 103,992,073                 | 0            | 0               | 103,992,073  | NA       |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Forgiveness Eliminated. Default Rate Raised to 20%.

Minimum Coverage: NA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version C  
 LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS<br>1 + | SYSTEM<br>EQUITY (a)<br>2 + | BOND<br>PROCEEDS<br>3 = | TOTAL<br>FUNDS<br>AVAILABLE<br>4 - | EXPENSES (b)<br>5 - | DEBT<br>SERVICE<br>6 = | NEW<br>LOANS<br>7 | COVERAGE<br>8 |
|------------------------|--------------------------------|-----------------------------|-------------------------|------------------------------------|---------------------|------------------------|-------------------|---------------|
| 1987                   | 0                              | 0                           | 0                       | 0                                  | 0                   | 0                      | 0                 | NA            |
| 1988                   | 60,321,892                     | 19,678,108                  | 0                       | 80,000,000                         | 0                   | 0                      | 80,000,000        | NA            |
| 1989                   | 54,489,018                     | 25,856,486                  | 0                       | 80,345,504                         | 0                   | 0                      | 80,345,504        | NA            |
| 1990                   | 47,992,125                     | 32,683,927                  | 0                       | 80,676,052                         | 0                   | 0                      | 80,676,052        | NA            |
| 1991                   | 41,071,674                     | 39,952,891                  | 0                       | 81,024,565                         | 0                   | 0                      | 81,024,565        | NA            |
| 1992                   | 35,133,474                     | 47,731,568                  | 0                       | 82,865,042                         | 0                   | 0                      | 82,865,042        | NA            |
| 1993                   | 29,670,216                     | 55,571,218                  | 0                       | 85,341,434                         | 0                   | 0                      | 85,341,434        | NA            |
| 1994                   | 24,133,736                     | 63,165,254                  | 0                       | 87,298,990                         | 0                   | 0                      | 87,298,990        | NA            |
| 1995                   | 18,516,892                     | 69,658,778                  | 0                       | 88,375,670                         | 0                   | 0                      | 88,375,670        | NA            |
| 1996                   | 12,827,009                     | 75,434,729                  | 0                       | 88,261,738                         | 0                   | 0                      | 88,261,738        | NA            |
| 1997                   | 7,049,963                      | 79,957,210                  | 0                       | 87,007,173                         | 0                   | 0                      | 87,007,173        | NA            |
| 1998                   | 1,197,124                      | 83,698,677                  | 0                       | 84,895,801                         | 0                   | 0                      | 84,895,801        | NA            |
| 1999                   | 1,954,717                      | 86,793,819                  | 0                       | 88,748,536                         | 0                   | 0                      | 88,748,536        | NA            |
| 2000                   | 1,993,431                      | 89,173,414                  | 0                       | 91,166,845                         | 0                   | 0                      | 91,166,845        | NA            |
| 2001                   | 1,973,625                      | 91,017,996                  | 0                       | 92,991,621                         | 0                   | 0                      | 92,991,621        | NA            |
| 2002                   | 1,888,078                      | 92,267,808                  | 0                       | 94,155,886                         | 0                   | 0                      | 94,155,886        | NA            |
| 2003                   | 1,814,028                      | 93,316,935                  | 0                       | 95,130,963                         | 0                   | 0                      | 95,130,963        | NA            |
| 2004                   | 1,759,208                      | 94,455,028                  | 0                       | 96,214,236                         | 0                   | 0                      | 96,214,236        | NA            |
| 2005                   | 1,712,205                      | 95,637,727                  | 0                       | 97,349,932                         | 0                   | 0                      | 97,349,932        | NA            |
| 2006                   | 1,665,056                      | 96,797,174                  | 0                       | 98,462,230                         | 0                   | 0                      | 98,462,230        | NA            |
| 2007                   | 1,621,658                      | 97,876,548                  | 0                       | 99,498,206                         | 0                   | 0                      | 99,498,206        | NA            |
| 2008                   | 1,580,133                      | 98,909,250                  | 0                       | 100,489,383                        | 0                   | 0                      | 100,489,383       | NA            |
| 2009                   | 1,537,016                      | 99,981,348                  | 0                       | 101,518,364                        | 0                   | 0                      | 101,518,364       | NA            |
| 2010                   | 1,488,054                      | 101,199,039                 | 0                       | 102,687,093                        | 0                   | 0                      | 102,687,093       | NA            |
| 2011                   | 1,433,395                      | 102,558,678                 | 0                       | 103,992,073                        | 0                   | 0                      | 103,992,073       | NA            |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Interest Grace Period Reduced. Default Rate Raised to 18%.

Minimum Coverage: NA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version D  
 LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS |   | SYSTEM<br>EQUITY (a) |   | BOND<br>PROCEEDS |   | TOTAL<br>FUNDS<br>AVAILABLE |   | EXPENSES (b) |   | DEBT<br>SERVICE |   | NEW<br>LOANS |             | COVERAGE<br>8 |
|------------------------|-------------------------|---|----------------------|---|------------------|---|-----------------------------|---|--------------|---|-----------------|---|--------------|-------------|---------------|
|                        | 1                       | + | 2                    | + | 3                | = | 4                           | - | 5            | - | 6               | = | 7            |             |               |
| 1987                   |                         | 0 |                      | 0 |                  | 0 |                             | 0 |              | 0 |                 | 0 |              | 0           | NA            |
| 1988                   | 60,321,392              |   | 19,678,108           |   | 0                |   | 80,000,000                  |   | 0            |   | 0               |   | 0            | 80,000,000  | NA            |
| 1989                   | 54,489,018              |   | 25,856,486           |   | 0                |   | 80,345,504                  |   | 0            |   | 0               |   | 0            | 80,345,504  | NA            |
| 1990                   | 47,772,909              |   | 32,903,143           |   | 0                |   | 80,676,052                  |   | 0            |   | 0               |   | 0            | 80,676,052  | NA            |
| 1991                   | 40,310,777              |   | 40,713,788           |   | 0                |   | 81,024,565                  |   | 0            |   | 0               |   | 0            | 81,024,565  | NA            |
| 1992                   | 33,317,097              |   | 49,547,945           |   | 0                |   | 82,865,042                  |   | 0            |   | 0               |   | 0            | 82,865,042  | NA            |
| 1993                   | 26,486,964              |   | 58,854,470           |   | 0                |   | 85,341,434                  |   | 0            |   | 0               |   | 0            | 85,341,434  | NA            |
| 1994                   | 19,500,653              |   | 67,798,337           |   | 0                |   | 87,298,990                  |   | 0            |   | 0               |   | 0            | 87,298,990  | NA            |
| 1995                   | 12,386,756              |   | 75,968,914           |   | 0                |   | 88,375,670                  |   | 0            |   | 0               |   | 0            | 88,375,670  | NA            |
| 1996                   | 5,170,969               |   | 83,090,769           |   | 0                |   | 88,261,738                  |   | 0            |   | 0               |   | 0            | 88,261,738  | NA            |
| 1997                   | (2,166,131)             |   | 89,173,304           |   | 0                |   | 87,007,173                  |   | 0            |   | 0               |   | 0            | 87,007,173  | NA            |
| 1998                   | (9,606,865)             |   | 94,502,666           |   | 0                |   | 84,895,801                  |   | 0            |   | 0               |   | 0            | 84,895,801  | NA            |
| 1999                   | (10,450,598)            |   | 99,199,134           |   | 0                |   | 88,748,536                  |   | 0            |   | 0               |   | 0            | 88,748,536  | NA            |
| 2000                   | (11,789,261)            |   | 102,956,106          |   | 0                |   | 91,166,845                  |   | 0            |   | 0               |   | 0            | 91,166,845  | NA            |
| 2001                   | (12,859,293)            |   | 105,850,914          |   | 0                |   | 92,991,621                  |   | 0            |   | 0               |   | 0            | 92,991,621  | NA            |
| 2002                   | (13,485,353)            |   | 107,641,239          |   | 0                |   | 94,155,886                  |   | 0            |   | 0               |   | 0            | 94,155,886  | NA            |
| 2003                   | (13,818,586)            |   | 108,949,549          |   | 0                |   | 95,130,963                  |   | 0            |   | 0               |   | 0            | 95,130,963  | NA            |
| 2004                   | (14,088,014)            |   | 110,302,250          |   | 0                |   | 96,214,236                  |   | 0            |   | 0               |   | 0            | 96,214,236  | NA            |
| 2005                   | (14,333,445)            |   | 111,683,377          |   | 0                |   | 97,349,932                  |   | 0            |   | 0               |   | 0            | 97,349,932  | NA            |
| 2006                   | (14,575,120)            |   | 113,037,350          |   | 0                |   | 98,462,230                  |   | 0            |   | 0               |   | 0            | 98,462,230  | NA            |
| 2007                   | (14,799,611)            |   | 114,297,817          |   | 0                |   | 99,498,206                  |   | 0            |   | 0               |   | 0            | 99,498,206  | NA            |
| 2008                   | (15,014,398)            |   | 115,503,781          |   | 0                |   | 100,489,383                 |   | 0            |   | 0               |   | 0            | 100,489,383 | NA            |
| 2009                   | (15,237,387)            |   | 116,755,751          |   | 0                |   | 101,518,364                 |   | 0            |   | 0               |   | 0            | 101,518,364 | NA            |
| 2010                   | (15,490,647)            |   | 118,177,740          |   | 0                |   | 102,687,093                 |   | 0            |   | 0               |   | 0            | 102,687,093 | NA            |
| 2011                   | (15,773,419)            |   | 119,765,492          |   | 0                |   | 103,992,073                 |   | 0            |   | 0               |   | 0            | 103,992,073 | NA            |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Forgiveness Eliminated, Interest Grace Period Reduced. Default Rate Raised to 21%.

Minimum Coverage: NA

Growing Loan Volume  
General Fund Appropriations  
Bonding vs. Non-Bonding  
Present Value Savings (Cost) at 8.00%  
Version A.  
Base Case

| Coverage<br>----- | PV Savings (Cost)<br>----- |
|-------------------|----------------------------|
| 1.25              | 44,226,115                 |
| 1.50              | 28,761,740                 |
| 1.80              | 11,245,820                 |

Bonding at  
1.25 Coverage

| Year | Loan<br>Volume | General Fund<br>Requirement | General Fund<br>With Bonding | Savings(Cost)<br>With Bonding |
|------|----------------|-----------------------------|------------------------------|-------------------------------|
| 1988 | 80,000,000     | 60,321,892                  | 19,000,000                   | 41,321,892                    |
| 1989 | 80,345,504     | 54,489,018                  | 19,300,000                   | 35,189,018                    |
| 1990 | 80,676,052     | 48,074,157                  | 19,600,000                   | 28,474,157                    |
| 1991 | 81,024,565     | 41,356,405                  | 19,900,000                   | 21,456,405                    |
| 1992 | 82,865,042     | 35,813,171                  | 20,200,000                   | 15,613,171                    |
| 1993 | 85,341,434     | 30,861,404                  | 20,600,000                   | 10,261,404                    |
| 1994 | 87,298,990     | 25,867,457                  | 21,000,000                   | 4,867,457                     |
| 1995 | 88,375,670     | 20,810,818                  | 21,400,000                   | (589,182)                     |
| 1996 | 88,261,738     | 15,691,934                  | 21,800,000                   | (6,108,066)                   |
| 1997 | 87,007,173     | 10,498,668                  | 22,500,000                   | (12,001,332)                  |
| 1998 | 84,895,801     | 5,240,026                   | 23,200,000                   | (17,959,974)                  |
| 1999 | 88,748,536     | 6,596,843                   | 23,900,000                   | (17,303,157)                  |
| 2000 | 91,166,845     | 7,150,978                   | 24,600,000                   | (17,449,022)                  |
| 2001 | 92,991,621     | 7,524,171                   | 25,300,000                   | (17,775,829)                  |
| 2002 | 94,155,886     | 7,640,887                   | 26,000,000                   | (18,359,113)                  |
| 2003 | 95,130,963     | 7,663,824                   | 26,700,000                   | (19,036,176)                  |
| 2004 | 96,214,236     | 7,689,311                   | 27,200,000                   | (19,510,689)                  |
| 2005 | 97,349,932     | 7,716,561                   | 27,700,000                   | (19,983,439)                  |
| 2006 | 98,462,230     | 7,742,205                   | 28,200,000                   | (20,457,795)                  |
| 2007 | 99,498,206     | 7,766,572                   | 28,700,000                   | (20,933,428)                  |
| 2008 | 100,489,383    | 7,789,883                   | 29,200,000                   | (21,410,117)                  |
| 2009 | 101,518,364    | 7,814,074                   | 29,700,000                   | (21,885,926)                  |
| 2010 | 102,687,093    | 7,841,562                   | 30,200,000                   | (22,358,438)                  |
| 2011 | 103,992,073    | 7,872,264                   | 30,700,000                   | (22,827,736)                  |
|      | 2,188,497,337  | 447,834,083                 | 586,600,000                  | (138,765,917)                 |

Present Value:  
8.000%            44,226,115

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version A  
 LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS |   | SYSTEM<br>EQUITY (a) |   | BOND<br>PROCEEDS |   | TOTAL<br>FUNDS<br>AVAILABLE |   | EXPENSES (b) |   | DEBT<br>SERVICE |   | NEW<br>LOANS |   | COVERAGE<br>8 |
|------------------------|-------------------------|---|----------------------|---|------------------|---|-----------------------------|---|--------------|---|-----------------|---|--------------|---|---------------|
|                        | 1                       | + | 2                    | + | 3                | = | 4                           | - | 5            | - | 6               | = | 7            |   |               |
| 1987                   |                         | 0 |                      | 0 |                  | 0 |                             | 0 |              | 0 |                 | 0 |              | 0 | NA            |
| 1988                   | 19,000,000              |   | 19,678,108           |   | 49,490,000       |   | 88,168,108                  |   | 6,433,700    |   | 1,732,150       |   | 80,002,258   |   | 11.26         |
| 1989                   | 19,300,000              |   | 26,202,916           |   | 45,880,000       |   | 91,382,916                  |   | 5,964,400    |   | 5,070,100       |   | 80,348,416   |   | 5.10          |
| 1990                   | 19,600,000              |   | 33,269,519           |   | 44,835,000       |   | 97,704,519                  |   | 5,487,050    |   | 11,540,600      |   | 80,676,869   |   | 2.82          |
| 1991                   | 19,900,000              |   | 40,425,820           |   | 43,120,000       |   | 103,645,820                 |   | 4,920,100    |   | 17,699,575      |   | 81,026,145   |   | 2.24          |
| 1992                   | 20,200,000              |   | 48,263,544           |   | 42,635,000       |   | 111,098,544                 |   | 4,492,550    |   | 23,738,575      |   | 82,867,419   |   | 1.98          |
| 1993                   | 20,600,000              |   | 55,916,844           |   | 42,600,000       |   | 119,116,844                 |   | 4,106,500    |   | 29,668,275      |   | 95,342,069   |   | 1.84          |
| 1994                   | 21,000,000              |   | 63,066,516           |   | 42,515,000       |   | 126,581,516                 |   | 3,686,450    |   | 35,592,100      |   | 87,302,966   |   | 1.73          |
| 1995                   | 21,400,000              |   | 69,368,762           |   | 42,370,000       |   | 133,138,762                 |   | 3,226,100    |   | 41,535,200      |   | 88,377,462   |   | 1.63          |
| 1996                   | 21,800,000              |   | 74,510,768           |   | 42,165,000       |   | 138,475,768                 |   | 2,723,450    |   | 47,489,925      |   | 88,262,393   |   | 1.53          |
| 1997                   | 22,500,000              |   | 78,551,764           |   | 41,525,000       |   | 142,576,764                 |   | 2,127,250    |   | 53,438,925      |   | 87,010,589   |   | 1.43          |
| 1998                   | 23,200,000              |   | 81,760,960           |   | 40,775,000       |   | 145,735,960                 |   | 1,477,250    |   | 59,361,350      |   | 84,897,360   |   | 1.34          |
| 1999                   | 23,900,000              |   | 84,274,882           |   | 47,890,000       |   | 156,064,882                 |   | 1,809,700    |   | 65,505,800      |   | 88,749,382   |   | 1.25          |
| 2000                   | 24,600,000              |   | 86,165,316           |   | 46,935,000       |   | 157,700,316                 |   | 1,788,050    |   | 64,744,350      |   | 91,167,916   |   | 1.30          |
| 2001                   | 25,300,000              |   | 87,643,605           |   | 46,750,000       |   | 159,693,605                 |   | 1,772,000    |   | 64,926,675      |   | 92,994,930   |   | 1.32          |
| 2002                   | 26,000,000              |   | 88,717,032           |   | 46,330,000       |   | 161,047,032                 |   | 1,717,400    |   | 65,170,625      |   | 94,159,007   |   | 1.33          |
| 2003                   | 26,700,000              |   | 89,892,058           |   | 46,020,000       |   | 162,412,058                 |   | 1,652,600    |   | 65,626,160      |   | 95,134,007   |   | 1.33          |
| 2004                   | 27,200,000              |   | 90,768,903           |   | 45,975,000       |   | 163,943,903                 |   | 1,615,750    |   | 66,113,425      |   | 96,214,728   |   | 1.34          |
| 2005                   | 27,700,000              |   | 91,894,013           |   | 45,915,000       |   | 165,509,013                 |   | 1,576,450    |   | 66,580,850      |   | 97,351,713   |   | 1.35          |
| 2006                   | 28,200,000              |   | 92,994,658           |   | 45,865,000       |   | 167,059,658                 |   | 1,534,450    |   | 67,060,975      |   | 98,464,233   |   | 1.35          |
| 2007                   | 28,700,000              |   | 94,017,395           |   | 45,825,000       |   | 168,542,395                 |   | 1,489,750    |   | 67,551,700      |   | 99,500,945   |   | 1.36          |
| 2008                   | 29,200,000              |   | 94,993,267           |   | 45,810,000       |   | 170,003,267                 |   | 1,442,300    |   | 68,070,750      |   | 100,490,217  |   | 1.36          |
| 2009                   | 29,700,000              |   | 96,002,775           |   | 45,900,000       |   | 171,602,775                 |   | 1,395,500    |   | 68,686,025      |   | 101,521,250  |   | 1.36          |
| 2010                   | 30,200,000              |   | 97,145,320           |   | 46,120,000       |   | 173,465,320                 |   | 1,349,600    |   | 69,425,600      |   | 102,690,120  |   | 1.37          |
| 2011                   | 30,700,000              |   | 98,417,230           |   | 45,270,000       |   | 174,387,230                 |   | 1,264,100    |   | 69,130,800      |   | 103,992,330  |   | 1.39          |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Base Case. Default Rate at 17%.

Minimum Coverage: 1.25

Bonding at  
1.50 Coverage

| Year | Loan<br>Volume | General Fund<br>Requirement | General Fund<br>With Bonding | Savings(Cost)<br>With Bonding |
|------|----------------|-----------------------------|------------------------------|-------------------------------|
| 1988 | 80,000,000     | 60,321,892                  | 21,000,000                   | 39,321,892                    |
| 1989 | 80,345,504     | 54,489,018                  | 21,850,000                   | 32,639,018                    |
| 1990 | 80,676,052     | 48,074,157                  | 22,700,000                   | 25,374,157                    |
| 1991 | 81,024,565     | 41,356,405                  | 23,550,000                   | 17,806,405                    |
| 1992 | 82,865,042     | 35,813,171                  | 24,400,000                   | 11,413,171                    |
| 1993 | 85,341,434     | 30,861,404                  | 24,550,000                   | 6,311,404                     |
| 1994 | 87,298,990     | 25,867,457                  | 24,700,000                   | 1,167,457                     |
| 1995 | 88,375,670     | 20,810,818                  | 24,850,000                   | (4,039,182)                   |
| 1996 | 88,261,738     | 15,691,934                  | 25,000,000                   | (9,308,066)                   |
| 1997 | 87,007,173     | 10,498,668                  | 25,000,000                   | (14,501,332)                  |
| 1998 | 84,895,801     | 5,240,026                   | 25,000,000                   | (19,759,974)                  |
| 1999 | 88,748,536     | 6,596,843                   | 25,000,000                   | (18,403,157)                  |
| 2000 | 91,166,845     | 7,150,978                   | 25,000,000                   | (17,849,022)                  |
| 2001 | 92,991,621     | 7,524,171                   | 25,000,000                   | (17,475,829)                  |
| 2002 | 94,155,886     | 7,640,887                   | 25,000,000                   | (17,359,113)                  |
| 2003 | 95,130,963     | 7,663,824                   | 25,000,000                   | (17,336,176)                  |
| 2004 | 96,214,236     | 7,689,311                   | 25,000,000                   | (17,310,689)                  |
| 2005 | 97,349,932     | 7,716,561                   | 25,000,000                   | (17,283,439)                  |
| 2006 | 98,462,230     | 7,742,205                   | 25,000,000                   | (17,257,795)                  |
| 2007 | 99,498,206     | 7,766,572                   | 25,000,000                   | (17,233,428)                  |
| 2008 | 100,489,383    | 7,789,883                   | 25,000,000                   | (17,210,117)                  |
| 2009 | 101,518,364    | 7,814,074                   | 25,000,000                   | (17,185,926)                  |
| 2010 | 102,687,093    | 7,841,562                   | 25,000,000                   | (17,158,438)                  |
| 2011 | 103,992,073    | 7,872,264                   | 25,000,000                   | (17,127,736)                  |
|      | 2,188,497,337  | 447,834,083                 | 587,600,000                  | (139,765,917)                 |

Present Value:  
8.000%

28,761,740

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version A

LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS |   | SYSTEM<br>EQUITY (a) |   | BOND<br>PROCEEDS |   | TOTAL<br>FUNDS<br>AVAILABLE |   | EXPENSES (b) |   | DEBT<br>SERVICE |   | NEW<br>LOANS |   | COVERAGE<br>8 |
|------------------------|-------------------------|---|----------------------|---|------------------|---|-----------------------------|---|--------------|---|-----------------|---|--------------|---|---------------|
|                        | 1                       | + | 2                    | + | 3                | = | 4                           | - | 5            | - | 6               | = | 7            |   |               |
| 1987                   |                         | 0 |                      | 0 |                  | 0 |                             | 0 |              | 0 |                 | 0 |              | 0 | NA            |
| 1988                   | 21,000,000              |   | 19,678,108           |   | 47,095,000       |   | 87,773,108                  |   | 6,122,350    |   | 1,648,325       |   | 80,002,433   |   | 11.94         |
| 1989                   | 21,850,000              |   | 26,186,151           |   | 42,645,000       |   | 90,681,151                  |   | 5,543,850    |   | 4,789,225       |   | 80,348,076   |   | 5.40          |
| 1990                   | 22,700,000              |   | 33,230,112           |   | 40,530,000       |   | 96,460,112                  |   | 4,943,900    |   | 10,836,600      |   | 80,679,612   |   | 3.01          |
| 1991                   | 23,550,000              |   | 40,557,431           |   | 37,600,000       |   | 101,707,431                 |   | 4,242,500    |   | 14,436,475      |   | 81,028,456   |   | 2.41          |
| 1992                   | 24,400,000              |   | 48,159,357           |   | 35,725,000       |   | 108,284,357                 |   | 3,667,250    |   | 21,749,975      |   | 82,867,132   |   | 2.16          |
| 1993                   | 24,550,000              |   | 55,769,484           |   | 35,070,000       |   | 115,389,484                 |   | 3,244,600    |   | 26,800,775      |   | 85,344,109   |   | 2.03          |
| 1994                   | 24,700,000              |   | 62,874,776           |   | 34,210,000       |   | 121,784,776                 |   | 2,780,800    |   | 31,702,225      |   | 87,301,751   |   | 1.94          |
| 1995                   | 24,850,000              |   | 69,131,231           |   | 33,185,000       |   | 127,166,231                 |   | 2,272,050    |   | 36,518,075      |   | 88,376,106   |   | 1.85          |
| 1996                   | 25,000,000              |   | 74,225,922           |   | 31,980,000       |   | 131,205,822                 |   | 1,715,900    |   | 41,224,625      |   | 88,265,297   |   | 1.76          |
| 1997                   | 25,000,000              |   | 78,217,714           |   | 30,720,000       |   | 133,937,714                 |   | 1,128,100    |   | 45,801,675      |   | 87,007,939   |   | 1.67          |
| 1998                   | 25,000,000              |   | 81,379,678           |   | 29,240,000       |   | 135,619,678                 |   | 485,700      |   | 50,236,925      |   | 84,897,053   |   | 1.59          |
| 1999                   | 25,000,000              |   | 83,848,375           |   | 35,515,000       |   | 144,363,375                 |   | 823,950      |   | 54,790,375      |   | 88,749,050   |   | 1.50          |
| 2000                   | 25,000,000              |   | 85,695,799           |   | 33,965,000       |   | 144,660,799                 |   | 818,950      |   | 52,670,850      |   | 91,170,999   |   | 1.60          |
| 2001                   | 25,000,000              |   | 87,133,436           |   | 33,190,000       |   | 145,323,436                 |   | 821,200      |   | 51,509,775      |   | 92,992,461   |   | 1.66          |
| 2002                   | 25,000,000              |   | 88,168,726           |   | 32,270,000       |   | 145,438,726                 |   | 791,600      |   | 50,486,925      |   | 94,160,201   |   | 1.71          |
| 2003                   | 25,000,000              |   | 89,108,390           |   | 31,550,000       |   | 145,658,390                 |   | 757,000      |   | 49,768,825      |   | 95,132,565   |   | 1.76          |
| 2004                   | 25,000,000              |   | 90,152,849           |   | 31,005,000       |   | 146,157,849                 |   | 728,150      |   | 49,211,800      |   | 96,217,899   |   | 1.80          |
| 2005                   | 25,000,000              |   | 91,247,080           |   | 30,465,000       |   | 146,712,080                 |   | 698,450      |   | 48,660,675      |   | 97,352,955   |   | 1.84          |
| 2006                   | 25,000,000              |   | 92,318,651           |   | 29,970,000       |   | 147,288,651                 |   | 669,100      |   | 48,154,750      |   | 98,464,801   |   | 1.88          |
| 2007                   | 25,000,000              |   | 93,314,215           |   | 29,555,000       |   | 147,869,215                 |   | 641,150      |   | 47,728,325      |   | 99,499,740   |   | 1.92          |
| 2008                   | 25,000,000              |   | 94,264,954           |   | 29,260,000       |   | 148,524,954                 |   | 616,300      |   | 47,415,875      |   | 100,492,779  |   | 1.96          |
| 2009                   | 25,000,000              |   | 95,251,539           |   | 29,100,000       |   | 149,351,539                 |   | 594,500      |   | 47,236,875      |   | 101,520,164  |   | 1.98          |
| 2010                   | 25,000,000              |   | 96,373,358           |   | 29,145,000       |   | 150,518,358                 |   | 578,850      |   | 47,250,975      |   | 102,688,533  |   | 2.01          |
| 2011                   | 25,000,000              |   | 97,627,039           |   | 28,220,000       |   | 150,847,039                 |   | 530,100      |   | 46,321,775      |   | 103,995,164  |   | 2.08          |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Base Case. Default Rate at 17%.

Minimum Coverage: 1.50



ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SUMMARY OF NEW LOAN ORIGINATION

Version A

LOAN RATE:  
 8.00%

| YEAR<br>ENDING<br>6/30 | STATE<br>APPROPRIATIONS |   | SYSTEM<br>EQUITY (a) |   | BOND<br>PROCEEDS |   | TOTAL<br>FUNDS<br>AVAILABLE |   | EXPENSES (b) | DEBT<br>SERVICE |            | NEW<br>LOANS |             |       |
|------------------------|-------------------------|---|----------------------|---|------------------|---|-----------------------------|---|--------------|-----------------|------------|--------------|-------------|-------|
|                        | 1                       | + | 2                    | + | 3                | = | 4                           | - |              | 5               | -          |              |             | 6     |
| 1987                   | 0                       |   | 0                    |   | 0                |   | 0                           |   | 0            |                 | 0          |              | 0           |       |
| 1988                   | 25,000,000              |   | 19,678,108           |   | 42,305,000       |   | 86,983,108                  |   | 5,499,650    |                 | 1,480,675  |              | 80,002,793  | 13.29 |
| 1989                   | 25,300,000              |   | 26,152,621           |   | 38,150,000       |   | 89,602,621                  |   | 4,959,500    |                 | 4,296,600  |              | 80,346,521  | 6.02  |
| 1990                   | 25,600,000              |   | 33,165,122           |   | 36,015,000       |   | 94,780,122                  |   | 4,389,950    |                 | 9,710,175  |              | 80,679,997  | 3.36  |
| 1991                   | 25,900,000              |   | 40,463,131           |   | 33,075,000       |   | 99,438,131                  |   | 3,721,250    |                 | 14,688,650 |              | 81,028,231  | 2.70  |
| 1992                   | 26,200,000              |   | 48,038,054           |   | 31,190,000       |   | 105,428,054                 |   | 3,181,200    |                 | 19,379,725 |              | 82,867,129  | 2.43  |
| 1993                   | 26,400,000              |   | 55,623,639           |   | 29,805,000       |   | 111,828,639                 |   | 2,702,650    |                 | 23,783,625 |              | 85,342,364  | 2.29  |
| 1994                   | 26,600,000              |   | 62,702,028           |   | 28,150,000       |   | 117,452,028                 |   | 2,178,500    |                 | 27,973,500 |              | 87,300,028  | 2.20  |
| 1995                   | 26,800,000              |   | 68,929,015           |   | 26,220,000       |   | 121,949,015                 |   | 1,603,600    |                 | 31,966,350 |              | 88,379,065  | 2.11  |
| 1996                   | 27,000,000              |   | 73,991,369           |   | 23,975,000       |   | 124,966,369                 |   | 972,750      |                 | 35,731,025 |              | 88,262,594  | 2.03  |
| 1997                   | 26,900,000              |   | 77,947,995           |   | 21,720,000       |   | 126,567,995                 |   | 327,100      |                 | 39,231,175 |              | 87,009,720  | 1.95  |
| 1998                   | 26,800,000              |   | 81,072,714           |   | 19,080,000       |   | 126,952,714                 |   | (381,100)    |                 | 42,433,875 |              | 84,899,939  | 1.88  |
| 1999                   | 26,700,000              |   | 83,502,098           |   | 24,030,000       |   | 134,232,098                 |   | (116,600)    |                 | 45,597,025 |              | 88,751,673  | 1.80  |
| 2000                   | 26,600,000              |   | 85,307,835           |   | 21,700,000       |   | 133,607,835                 |   | (180,000)    |                 | 42,618,050 |              | 91,159,785  | 1.97  |
| 2001                   | 26,500,000              |   | 86,701,440           |   | 19,955,000       |   | 133,156,440                 |   | (244,350)    |                 | 40,407,150 |              | 92,993,640  | 2.12  |
| 2002                   | 26,400,000              |   | 87,690,126           |   | 17,920,000       |   | 132,010,126                 |   | (348,900)    |                 | 38,201,825 |              | 94,157,201  | 2.26  |
| 2003                   | 26,300,000              |   | 88,580,282           |   | 15,940,000       |   | 130,820,282                 |   | (465,300)    |                 | 36,151,325 |              | 95,134,257  | 2.42  |
| 2004                   | 25,550,000              |   | 89,571,996           |   | 14,725,000       |   | 129,846,996                 |   | (485,250)    |                 | 34,116,650 |              | 95,215,596  | 2.59  |
| 2005                   | 24,800,000              |   | 90,615,504           |   | 13,480,000       |   | 128,895,504                 |   | (504,600)    |                 | 32,049,050 |              | 97,351,054  | 2.80  |
| 2006                   | 24,050,000              |   | 91,638,522           |   | 12,305,000       |   | 127,993,522                 |   | (520,350)    |                 | 30,049,575 |              | 98,464,297  | 3.02  |
| 2007                   | 23,300,000              |   | 92,587,896           |   | 11,235,000       |   | 127,122,896                 |   | (531,450)    |                 | 28,154,275 |              | 99,500,071  | 3.26  |
| 2008                   | 22,550,000              |   | 93,494,990           |   | 10,335,000       |   | 126,379,990                 |   | (535,450)    |                 | 26,424,275 |              | 100,491,065 | 3.51  |
| 2009                   | 21,800,000              |   | 94,440,547           |   | 9,630,000        |   | 125,870,547                 |   | (531,100)    |                 | 24,881,450 |              | 101,520,197 | 3.77  |
| 2010                   | 21,050,000              |   | 95,524,337           |   | 9,210,000        |   | 125,784,337                 |   | (515,200)    |                 | 23,612,425 |              | 102,687,112 | 4.02  |
| 2011                   | 20,300,000              |   | 96,743,125           |   | 7,950,000        |   | 124,993,125                 |   | (524,500)    |                 | 21,523,350 |              | 103,994,275 | 4.47  |

NOTES: (a) System Equity consists of recycling of repayments on old loans plus earnings on Debt Service Reserve.

(b) Expenses consist of funding of a Debt Service Reserve (10% of Bond Issue) and Costs of Issuance (3% of Bond Issue).

Base Case. Default Rate at 17%.

Minimum Coverage: 1.80

Introduced: 1/19/87  
Referred: Health, Education and  
Social Services and  
Finance

HB39

5-0214A

1 IN THE SENATE

BY KELLY, HALFORD, KERTTULA  
AND FAIKS

2

SENATE BILL NO. 66

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to student loans; creating the  
7 Alaska Student Loan Corporation; and providing for an  
8 effective date."

9

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

10

\* Section 1. AS 14.42 is amended by adding new sections to read:

11

ARTICLE 2. ALASKA STUDENT LOAN CORPORATION.

12

Sec. 14.42.100. CREATION OF ALASKA STUDENT LOAN CORPORATION.

13

There is created the Alaska Student Loan Corporation. The corporation  
14 is a public corporation and government instrumentality within the  
15 Department of Education but having a legal existence independent of  
16 and separate from the state. The corporation may not be terminated as  
17 long as it has bonds, notes, or other obligations outstanding. Upon  
18 termination of the corporation, its rights and property pass to the  
19 state.

20

Sec. 14.42.110. PURPOSE OF CORPORATION. The purpose of the

21

corporation is to improve higher educational opportunities for resi-  
22 dents of the state in accordance with this chapter.

23

Sec. 14.42.120. CORPORATION GOVERNING BODY. (a) The corpora-

24

tion shall be governed by a board of directors appointed by the  
25 governor consisting of four members of the Alaska Commission on Post-  
26 secondary Education, each of whom is selected for the commission under  
27 AS 14.42.015(a)(1) - (2), (4) - (6), (8) or (9) and one member of the  
28 commission selected under AS 14.42.015(a)(3). Members of the board  
29 serve without compensation but are entitled to per diem and travel

Original sponsors: Sund and Boucher

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR HOUSE BILL NO. 39 (Finance) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to student loans and family educa-  
7 tion loans; creating the Alaska Student Loan Corpora-  
8 tion; and providing for an effective date."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. AS 14.42 is amended by adding a new section to read:  
11 Sec. 14.42.032. LIMITATION ON AWARDING LOANS. In administering  
12 AS 14.43.090 - 14.43.325, 14.43.600 - 14.43.700, and 14.43.710 -  
13 14.43.790, the commission may not during a fiscal year award loans  
14 with a total value that exceeds by more than three percent the total  
15 value of loans awarded under those provisions during the previous  
16 fiscal year. This limitation may be exceeded only if the commission  
17 is specifically authorized to do so by law.  
18 \* Sec. 2. AS 14.42 is amended by adding new sections to read:  
19 ARTICLE 2. ALASKA STUDENT LOAN CORPORATION.  
20 Sec. 14.42.100. CREATION OF ALASKA STUDENT LOAN CORPORATION.  
21 There is created the Alaska Student Loan Corporation. The corporation  
22 is a public corporation and government instrumentality within the  
23 Department of Education but having a legal existence independent of  
24 and separate from the state. The corporation may not be terminated as  
25 long as it has bonds, notes, or other obligations outstanding. Upon  
26 termination of the corporation, its rights and property pass to the  
27 state.  
28 Sec. 14.42.110. PURPOSE OF CORPORATION. The purpose of the  
29 corporation is to improve higher educational opportunities for

1 residents of the state in accordance with this chapter.

2 Sec. 14.42.120. CORPORATION GOVERNING BODY. (a) The corpor-  
3 ation shall be governed by a board of directors appointed by the  
4 governor consisting of two members of the Alaska Commission on Post-  
5 secondary Education, each of whom is selected for the commission under  
6 AS 14.42.015(a)(1) - (2), (4) - (6), (8), or (9) and the commissioner  
7 of revenue, the commissioner of administration, and the commissioner  
8 of commerce and economic development. Members of the board serve  
9 without compensation but the members who are also members of the  
10 Alaska Commission on Postsecondary Education are entitled to per diem  
11 and travel expenses authorized by law for boards and commissions under  
12 AS 39.20.180.

13 (b) The board shall elect a chairman from among its membership  
14 at its annual meeting each year. A majority of the members constitute  
15 a quorum for organizing the board, conducting its business, and exer-  
16 cising the powers of the corporation.

17 Sec. 14.42.130. MEETINGS OF THE BOARD. (a) The board shall  
18 meet at the call of its chairman and at other times as the board may  
19 determine in accordance with its regulations.

20 (b) Public notice of a meeting of the board at which the issu-  
21 ance of corporation bonds is authorized shall be provided at least 24  
22 hours before the meeting.

23 Sec. 14.42.140. MINUTES OF MEETINGS. The board shall keep  
24 minutes of each meeting and send a certified copy to the governor and  
25 to the Legislative Budget and Audit Committee.

26 Sec. 14.42.150. ADMINISTRATION OF AFFAIRS. The board shall  
27 manage the assets and business of the corporation and may adopt bylaws  
28 and regulations, in accordance with the Administrative Procedure Act  
29 (AS 44.62), governing the manner in which the business of the

1 corporation is conducted and the manner in which its powers are  
2 exercised. The board shall delegate supervision of the administration  
3 of the corporation to the executive officer of the corporation.

4 Sec. 14.42.160. EXECUTIVE OFFICER. The executive officer of the  
5 Commission on Postsecondary Education appointed under AS 14.42.040(a)  
6 shall serve as executive officer of the corporation. The board shall  
7 prescribe the duties of the executive officer.

8 Sec. 14.42.170. STAFF. The employees of the Alaska Commission  
9 on Postsecondary Education shall serve as staff for the corporation.

10 Sec. 14.42.190. BUDGET. The operating budget of the corporation  
11 is subject to AS 37.07 (Executive Budget Act).

12 Sec. 14.42.200. GENERAL POWERS. In addition to other powers  
13 granted in this chapter, the corporation may

14 (1) sue and be sued in its own name;

15 (2) adopt an official seal;

16 (3) adopt regulations under AS 44.62 (Administrative Proce-  
17 dure Act) to carry out the purposes of this chapter;

18 (4) make and execute agreements, contracts, and other in-  
19 struments necessary or convenient in the exercise of the powers and  
20 functions of the corporation, including contracts with a person or  
21 governmental entity;

22 (5) receive, administer, and comply with the conditions and  
23 requirements respecting any appropriation, gift, grant, or donation of  
24 property or money;

25 (6) borrow money as provided in this chapter to carry out  
26 its corporate purposes and issue its obligations as evidence of the  
27 borrowing;

28 (7) include in a borrowing the amounts to pay financing  
29 charges, interest on the obligations for a period not exceeding one

1 year after the date on which the corporation estimates funds will  
2 otherwise be available to pay the interest, consultant, advisory and  
3 legal fees and other expenses necessary or incident to the borrowing;

4 (8) invest or reinvest, subject to its contracts with  
5 noteholders and bondholders, money held by the corporation in obliga-  
6 tions or other securities authorized for investments of the commis-  
7 sioner of revenue under AS 37.10.070(a);

8 (9) collect from a borrower amounts owed with respect to a  
9 student loan the corporation has purchased;

10 (10) gather information on student loans available to resi-  
11 dents of Alaska and disseminate the information to reasonably assure  
12 that qualified residents are aware of financial resources available to  
13 those attending or desiring to attend institutions for which loans may  
14 be made under AS 14.43.090 - 14.43.325, 14.43.600 - 14.43.700, or  
15 14.43.710 - 14.43.790;

16 (11) service student loans held by the corporation;

17 (12) purchase or participate in the purchase of student  
18 loans;

19 (13) contract in advance for the purchase or sale of student  
20 loans;

21 (14) sell or participate in the sale, either public or  
22 private and on terms authorized by the board, of student loans to the  
23 Student Loan Marketing Association or to other purchasers;

24 (15) collect and pay reasonable fees and charges in connec-  
25 tion with the purchase, sale, and servicing of student loans;

26 (16) enter into agreements with the federal government,  
27 including guaranty agreements and supplemental guaranty agreements as  
28 described in the United States Higher Education Act of 1965, as neces-  
29 sary to provide for the receipt by the corporation of administrative

1 allowances and other benefits available under the United States Higher  
2 Education Act of 1965;

3 (17) administer federal money allotted to the state involv-  
4 ing insured student loans and related administrative costs and other  
5 matters;

6 (18) enter into agreements with the Alaska Commission on  
7 Postsecondary Education relating to student loans, the administration  
8 of the student loan fund created under AS 14.42.210, and the payment  
9 of and security for bonds of the corporation;

10 (19) to the extent permitted under contracts with bond  
11 holders, consent to the modification of the rate of interest, time of  
12 payment of an installment of principal or interest, or other terms of  
13 a student loan purchased by the corporation;

14 (20) procure insurance against any loss in connection with  
15 the operation of its programs;

16 (21) provide advisory services to borrowers and other parti-  
17 cipants in the corporation's programs;

18 (22) enter into credit facility agreements and make pledges,  
19 covenants, and agreements with respect to the repayment of borrowings  
20 under the credit facility agreements;

21 (23) do all acts necessary, convenient, or desirable to  
22 carry out the powers expressly granted or necessarily implied in  
23 AS 14.42.100 - 14.42.500.

24 Sec. 14.42.210. STUDENT LOAN FUND. (a) The student loan fund  
25 is established in the corporation. The student loan fund is a trust  
26 fund to be used to carry out the purposes of AS 14.42.100 - 14.42.500,  
27 AS 14.43.090 - 14.43.325, 14.43.600 - 14.43.700, and 14.43.710 -  
28 14.43.790. The fund consists of money or assets appropriated or  
29 transferred to the corporation for the fund and money or assets

1 deposited in it by the corporation. The corporation may establish  
2 separate accounts in the fund.

3 (b) Money and other assets of the student loan fund may be used  
4 to secure bonds of the corporation, invested in student loans and in-  
5 vestments described in AS 37.10.070(a) and used to purchase loans  
6 approved under AS 14.43.090 - 14.43.325, 14.43.600 - 14.43.700, or  
7 14.43.710 - 14.43.790.

8 (c) The student loan fund shall be administered by the Alaska  
9 Commission on Postsecondary Education. The corporation and the com-  
10 mission may enter into agreements relating to the administration of  
11 the fund. The corporation may assign its rights under the agreements  
12 for the benefit and security of holders of its bonds.

13 Sec. 14.42.220. BONDS OF THE CORPORATION. (a) Subject to (f)  
14 of this section, the corporation may borrow money and may issue bonds,  
15 on which the principal and interest are payable from its income and  
16 receipts or other assets or a designated part or parts of them.

17 (b) Bonds may be authorized only by resolution of the board.  
18 Bonds shall be dated, bear interest at the rate or rates, be in the  
19 denominations, be in the form, either coupon or registered, carry the  
20 registration privileges, be executed in the manner, be payable in the  
21 medium of payment, at the place or places, be subject to the terms of  
22 redemption, and mature as provided by the resolution or a subsequent  
23 resolution. However, a bond may not mature more than 30 years after  
24 the date it is issued.

25 (c) Bonds of the corporation, regardless of form or character,  
26 are negotiable instruments for all the purposes of the Uniform Commer-  
27 cial Code (AS 45.01 - AS 45.09).

28 (d) Bonds of the corporation may be sold at public or private  
29 sale in the manner, for the price or prices, and at the time or times

1 that the board determines.

2 (e) The superior court has jurisdiction to hear and determine  
3 proceedings relating to the corporation, including proceedings brought  
4 by or for the benefit of a bondholder or by a trustee for or other  
5 representative of a bondholder.

6 (f) The corporation may not issue bonds, other than refunding  
7 bonds, during any two consecutive fiscal years in an aggregate amount  
8 greater than \$125,000,000 unless the legislature, by law, approves  
9 issuance of a greater amount.

10 Sec. 14.42.230. TRUST INDENTURES AND TRUST AGREEMENTS. An  
11 issue of bonds by the corporation may be secured by a trust indenture  
12 or trust agreement between the corporation and a corporate trustee,  
13 which may be a trust company, bank, or national banking association,  
14 with corporate trust powers, located inside or outside the state, or  
15 by a secured loan agreement or other instrument or under a resolution  
16 giving powers to a corporate trustee by means of which the corporation  
17 may:

18 (1) enter into agreements with the trustee or the bond-  
19 holders that the board determines to be necessary or desirable, in-  
20 cluding covenants, provisions, limitations, and other agreements as to  
21 the

22 (A) application, investment, deposit, use, and dispo-  
23 sition of the proceeds of bonds of the corporation or of money or  
24 other property of the corporation or in which it has an interest;

25 (B) fixing and collecting loan payments and other  
26 consideration for a student loan;

27 (C) assignment by the corporation of its rights in a  
28 student loan or in a mortgage or other security interest created  
29 with respect to a student loan to a trustee for the benefit of

1 bondholders;

2 (D) terms and conditions upon which additional bonds  
3 of the corporation may be issued;

4 (E) vesting in a trustee of rights, powers, duties,  
5 funds, or property in trust for the benefit of bondholders, in-  
6 cluding the right to enforce payment, performance, and other  
7 rights of the corporation or of the bondholders, under a student  
8 loan or a security interest created with respect to a student  
9 loan;

10 (2) pledge, mortgage or assign money, agreements, property,  
11 or other assets of the corporation either presently in hand or to be  
12 received in the future, or both; and

13 (3) provide for other matters that in any way affect the  
14 security or protection of the bonds.

15 Sec. 14.42.240. RESERVES AND CAPITAL RESERVES. (a) For the  
16 purpose of securing one or more issues of bonds of the corporation,  
17 the board may establish one or more special funds, called "capital  
18 reserve funds," and may pay into those capital reserve funds the  
19 proceeds of the sale of bonds and other money available to the corpo-  
20 ration from other sources for the purposes of the capital reserve  
21 funds. A capital reserve fund may be established only if the board  
22 determines that the establishment of the fund would enhance the mar-  
23 ketability of the bonds. Money in a capital reserve fund, except as  
24 provided in this section, may be used as required only for the (1)  
25 payment of the principal of, and interest on, bonds or of the sinking  
26 fund payments with respect to those bonds; (2) purchase or redemption  
27 of the bonds; or (3) payment of a redemption premium required to be  
28 paid when the bonds are redeemed before maturity. However, money in a  
29 capital reserve fund may not be withdrawn if the withdrawal would

1 reduce the amount in the capital reserve fund to less than the capital  
2 reserve fund requirement, except for the purpose of making payment,  
3 when due, of principal, interest, or redemption premiums on the bonds  
4 when other money of the corporation is not available for the payments.  
5 Income or interest earned by, or increment to, a capital reserve fund,  
6 from the investment of all or part of the fund, may be transferred by  
7 the corporation to other funds or accounts of the corporation if the  
8 transfer does not reduce the amount of the capital reserve fund below  
9 the capital reserve fund requirement.

10 (b) If the board decides to issue bonds secured by a capital  
11 reserve fund, the bonds may not be issued if the amount in the capital  
12 reserve fund is less than the capital reserve fund requirement, unless  
13 the corporation, at the time of issuance of the bonds, pledges to  
14 deposit in the capital reserve fund from the proceeds of the bonds to  
15 be issued or from other sources, an amount that, together with the  
16 amount then in the fund, is not less than the capital reserve fund  
17 requirement.

18 (c) In computing the amount of a capital reserve fund for the  
19 purpose of this section, securities in which all or a portion of the  
20 fund is invested and credit facilities deposited in or credited to a  
21 capital reserve fund under (f) of this section shall be valued by a  
22 reasonable method established by the board by resolution. Valuation  
23 shall include the amount of interest earned or accrued as of the date  
24 of valuation.

25 (d) By January 15 of each year, the chairman of the board shall  
26 certify in writing to the governor and the legislature the amount, if  
27 any, required to restore a capital reserve fund to the capital reserve  
28 fund requirement. The legislature may appropriate to the corporation  
29 the amount certified by the chairman. The corporation shall deposit

1 the amounts appropriated under this subsection during a fiscal year in  
2 the proper capital reserve fund. This subsection does not create a  
3 debt or liability of the state.

4 (e) The board may establish reserve funds, other than capital  
5 reserve funds, to secure one or more issues of bonds of the corpo-  
6 ration. The corporation may deposit in a reserve fund established  
7 under this subsection the proceeds of sale of its bonds and other  
8 money available from any other source. The corporation may allow a  
9 reserve fund established under this subsection to be depleted without  
10 complying with (d) of this section.

11 (f) The corporation may hold in a capital reserve fund, in lieu  
12 of money and in satisfaction of all or part of a capital reserve fund  
13 requirement, irrevocable letters of credit issued by a commercial  
14 bank, surety bonds, insurance policies, and similar credit facilities.

15 (g) In this section, "capital reserve fund requirement" means  
16 the amount required to be on deposit in the capital reserve fund as of  
17 the date of computation as determined by resolution of the board.

18 Sec. 14.42.250. VALIDITY OF PLEDGE. It is the intention of the  
19 legislature that a pledge made in respect to bonds of the corporation  
20 shall be valid and binding from the time the pledge is made; that the  
21 money or property so pledged and thereafter received by the corpora-  
22 tion shall immediately be subject to the lien of the pledge without  
23 physical delivery or further act; and that the lien of the pledge  
24 shall be valid and binding as against all parties having claims of any  
25 kind in tort, contract, or otherwise against the corporation irrespec-  
26 tive of whether the parties have notice. Neither the resolution,  
27 trust agreement, nor other instrument by which a pledge is created  
28 need be recorded or filed under the provisions of the Uniform Commer-  
29 cial Code (AS 45.01 - AS 45.09) to be valid, binding, or effective.

1           Sec. 14.42.260. NONLIABILITY ON BONDS. (a) The members of the  
2 board and individuals executing the bonds of the corporation are not  
3 liable personally on the bonds or subject to personal liability or  
4 accountability by reason of the issuance of the bonds.

5           (b) The bonds issued by the corporation do not constitute an  
6 indebtedness or other liability of the state or of a political sub-  
7 division of the state, except the corporation, but shall be payable  
8 solely from the income and receipts or other funds or property of the  
9 corporation. The corporation may not pledge the faith or credit of  
10 the state, or of a political subdivision of the state, except the  
11 corporation, to the payment of a bond. Issuance of a bond by the  
12 corporation does not directly, indirectly, or contingently obligate  
13 the state or a political subdivision of the state to apply money from,  
14 or levy or pledge any form of taxation whatever to the payment of the  
15 bond.

16           Sec. 14.42.265. UNDERWRITERS. The board may select one or more  
17 underwriters for its bonds in accordance with procedures

18           (1) for the award of a contract under AS 36.30.200 -  
19 36.30.260; or

20           (2) adopted by regulations of the board that are based on  
21 the competitive principles of AS 36.30.200 - 36.30.260 and are adapted  
22 to the special needs of the corporation in the selling of its bonds as  
23 determined by the board.

24           Sec. 14.42.270. PLEDGE AND AGREEMENT OF STATE. The state  
25 pledges to and agrees with holders of bonds issued by the corporation  
26 that the state will not limit or alter the rights and powers vested in  
27 the corporation under AS 14.42.100 - 14.42.330 to fulfill the terms of  
28 a contract made by the corporation with the bondholders or in any way  
29 impair the rights and remedies of the bondholders until the bonds,

1 together with the interest on them with interest on unpaid install-  
2 ments of interest, and all costs and expenses in connection with an  
3 action or proceeding by or on behalf of the bondholders, are fully met  
4 and discharged. The corporation may include this pledge and agreement  
5 of the state in a contract with bondholders.

6 Sec. 14.42.280. EXEMPTION FROM TAXATION. The real and personal  
7 property of the corporation and its assets, income, and receipts are  
8 declared to be the property of a political subdivision of the state  
9 and devoted to an essential public and governmental function and  
10 purpose, and the property, assets, income, receipts, and other in-  
11 terests of the corporation are exempt from all taxes and special  
12 assessments of the state or a political subdivision of the state,  
13 including municipalities, school districts, public utility districts,  
14 and other governmental units. Bonds of the corporation are declared  
15 to be issued by a political subdivision of the state and for an essen-  
16 tial public and governmental purpose, and the bonds, interest on them,  
17 income from them, and transfer of them, and all assets, income, and  
18 receipts pledged to pay or secure the payment of the bonds, or inter-  
19 est on them, are exempt from taxation by or under the authority of the  
20 state, except for inheritance and estate taxes and taxes on transfers  
21 by or in contemplation of death.

22 Sec. 14.42.290. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The  
23 bonds of the corporation are securities in which public officers and  
24 bodies of the state, municipalities, insurance companies, insurance  
25 associations, other persons carrying on an insurance business, banks,  
26 bankers, trust companies, savings banks, savings associations, build-  
27 ing and loan associations, investment companies, other persons carry-  
28 ing on a banking business, administrators, guardians, executors,  
29 trustees, other fiduciaries, and other persons who are authorized to

1 invest in bonds or other obligations of the state, may properly and  
2 legally invest funds including capital in their control or belonging  
3 to them. Notwithstanding any other provisions of law, the bonds of  
4 the corporation are also securities that may be deposited with and may  
5 be received by public officers and bodies of the state and municipal-  
6 ities for any purpose for which the deposit of bonds or other obliga-  
7 tions of the state is now or may be authorized.

8 Sec. 14.42.300. OPERATION OF CERTAIN STATUTES EXCEPTED. (a)  
9 The corporation is not a municipality as the term is defined in  
10 AS 01.10.060. Except as provided in AS 14.42.190, the corporation is  
11 not subject to AS 37. For all other purposes the corporation is a  
12 political subdivision and an instrumentality of the state.

13 (b) The funds, income, and receipts of the corporation are not  
14 money of the state, nor may real property in which the corporation has  
15 an interest be considered land owned in fee by the state or to which  
16 the state may become entitled or in any way land belonging to the  
17 state, or state land referred to in art. VIII of the Alaska Constitu-  
18 tion.

19 Sec. 14.42.310. ANNUAL AUDIT. The financial records of the  
20 corporation shall be audited annually by the legislative auditor or by  
21 a certified public accountant approved by the legislative auditor.  
22 The legislative auditor may prescribe the form and content of the  
23 financial records of the corporation and shall have access to these  
24 records at any time.

25 Sec. 14.42.500. DEFINITIONS. In AS 14.42.100 - 14.42.500,

26 (1) "board" means the board of directors of the corpo-  
27 ration;

28 (2) "corporation" means the Alaska Student Loan Corpora-  
29 tion.

1 \* Sec. 3. AS 14.43.090(a) is amended to read:

2 (a) There is created a scholarship revolving loan fund. The  
3 fund shall be used to make scholarship loans to students selected  
4 under AS 14.43.090 - 14.43.160, [AND] to pay the costs of collecting  
5 scholarship [STUDENT] loans that are in default if those costs are not  
6 recovered from the student, and to pay the costs of administering the  
7 fund. Unless the instrument evidencing the scholarship loan has been  
8 sold or assigned to the Alaska Student Loan Corporation, [. ALL]  
9 repayments of principal and interest on a scholarship loan [LOANS]  
10 shall be paid into the scholarship revolving loan fund. If money  
11 estimated to be available [FROM SCHOLARSHIP LOAN REPAYMENTS] is inade-  
12 quate to fully fund estimated scholarship loans for any fiscal year,  
13 additional funding from the general fund may be requested and appro-  
14 priated for that year.

15 \* Sec. 4. AS 14.43.090 is amended by adding a new subsection to read:

16 (d) The student financial aid committee created under AS 14.43.-  
17 095 may sell or assign notes and other instruments evidencing scholar-  
18 ship loans to the Alaska Student Loan Corporation and enter into  
19 agreements with the corporation relating to loans, the administration  
20 of the student loan fund created under AS 14.42.210, and the payment  
21 of and security for bonds of the corporation. Proceeds from the sale  
22 or assignment of notes and other instruments shall be deposited in the  
23 scholarship revolving loan fund.

24 \* Sec. 5. AS 14.43.120(h) is amended to read:

25 (h) Security may not be required for a loan [THE LOANS]; how-  
26 ever, provision shall be made for payment of all [ATTORNEY] fees and  
27 costs [OF COURT IF EITHER OR BOTH ARE] incurred in collection of the  
28 amount owed on the loan if it becomes delinquent or in default.

29 \* Sec. 6. AS 14.43.120(i) is amended to read:

1 (i) If a loan is in default, the commission shall notify the  
2 borrower that repayment of the remaining balance is accelerated and  
3 due by sending the borrower a notice by registered or certified mail.  
4 The permanent fund dividend of a borrower may be taken under AS 43.-  
5 23.065(b)(4) to satisfy the balance due on the defaulted loan.

6 \* Sec. 7. AS 14.43.120(1) is amended to read:

7 (1) The state shall [WILL] pay the interest on that portion of a  
8 loan that is not federally insured during

9 (1) the period in which the borrower is a full-time student  
10 [BEFORE THE BEGINNING OF THE REPAYMENT PERIOD OF THE LOAN];

11 (2) deferments under (k) of this section; or [.]

12 (3) the 12 months after the borrower ceases to be a  
13 full-time student if the borrower has paid an amount equal to 10  
14 percent of the total loan balance before the end of the 12-month  
15 period.

16 \* Sec. 8. AS 14.43.120 is amended by adding a new subsection to read:

17 (r) The rate of interest, time of payment of an installment of  
18 principal or interest, or other terms of a scholarship loan may be  
19 modified if required to establish or maintain tax-exempt status under  
20 26 U.S.C. 103 (Internal Revenue Code of 1986), as amended, for the  
21 interest on bonds issued by the Alaska Student Loan Corporation.

22 \* Sec. 9. AS 14.43.125 is amended by adding a new subsection to read:

23 (c) A person may not be awarded a scholarship loan under AS 14.-  
24 43.090 - 14.43.160 if a family education loan is made on behalf of  
25 that person under AS 14.43.710 - 14.43.790 or if that person receives  
26 a teacher scholarship loan under AS 14.43.600 - 14.43.700 for the same  
27 school year.

28 \* Sec. 10. AS 14.43.255(a) is amended to read:

29 (a) There is created a memorial scholarship revolving loan fund.

1 The fund shall be used to provide educational scholarship loans to  
2 students selected under AS 14.43.250 - 14.43.325. Unless the instru-  
3 ment evidencing the memorial scholarship loan has been sold or as-  
4 signed to the Alaska Student Loan Corporation, repayments [REPAYMENTS]  
5 of a loan [LOANS MADE UNDER AS 14.43.250(b)(1) - (4)] shall be de-  
6 posited into the memorial scholarship revolving loan fund and [REPAY-  
7 MENTS OF LOANS MADE UNDER AS 14.43.250(b)(5) SHALL BE DEPOSITED INTO  
8 THE SCHOLARSHIP REVOLVING LOAN FUND CREATED UNDER AS 14.43.090.  
9 REPAYMENTS] shall be used to make new loans.

10 \* Sec. 11. AS 14.43.255 is amended by adding a new subsection to read:

11 (c) The student financial aid committee created under AS 14.43.-  
12 095 may sell or assign notes and other instruments evidencing memorial  
13 scholarship loans to the Alaska Student Loan Corporation and enter  
14 into agreements with the corporation relating to loans, the adminis-  
15 tration of the student loan fund created under AS 14.42.210, and the  
16 payment of and security for bonds of the corporation. Proceeds from  
17 the sale or assignment of a note or other instrument shall be de-  
18 posited in the appropriate memorial scholarship loan fund account.

19 \* Sec. 12. AS 14.43.620 is amended to read:

20 Sec. 14.43.620. TEACHER SCHOLARSHIP REVOLVING LOAN FUND. There  
21 is created a teacher scholarship revolving loan fund. The fund shall  
22 be used to make scholarship loans to students selected under AS 14.-  
23 43.600 - 14.43.700. Unless the instrument evidencing the teacher  
24 scholarship loan has been sold or assigned to the Alaska Student Loan  
25 Corporation, [ALL] repayments of principal and interest on a teacher  
26 scholarship loan [LOANS] shall be paid into the teacher scholarship  
27 revolving loan fund and shall be used to make new teacher scholarship  
28 loans. If estimated funds available [FROM TEACHER SCHOLARSHIP LOAN  
29 REPAYMENTS] are inadequate to fully fund estimated teacher scholarship

1 loans for any fiscal year, additional funding from the general fund  
2 may be requested and appropriated for that year.

3 \* Sec. 13. AS 14.43.620 is amended by adding a new subsection to read:

4 (b) The student financial aid committee created under AS 14.43.-  
5 095 may sell or assign notes and other instruments evidencing teacher  
6 scholarship loans to the Alaska Student Loan Corporation and enter  
7 into agreements with the corporation relating to loans, the adminis-  
8 tration of the student loan fund created under AS 14.42.210 and the  
9 payment of and security for bonds of the corporation. Proceeds from  
10 the sale or assignment of the notes or other instruments shall be  
11 deposited in the teacher scholarship revolving loan fund.

12 \* Sec. 14. AS 14.43.640(b) is amended to read:

13 (b) If a borrower meets the conditions provided in (a) of this  
14 section and is employed as a teacher in a rural elementary or secon-  
15 dary school, the portion of the loan that shall be paid by the state  
16 [, NOTWITHSTANDING AS 14.43.120(j),] is the following percentages of  
17 the total loan received plus interest up to a total of 100 percent of  
18 the total loan:

- 19 (1) one year employment, 15 percent;
- 20 (2) two years employment, an additional 15 percent;
- 21 (3) three years employment, an additional 15 percent;
- 22 (4) four years employment, an additional 25 percent;
- 23 (5) over four years employment, an additional 30 percent.

24 \* Sec. 15. AS 14.43.650(c) is repealed and reenacted to read:

25 (c) A student may not be awarded a teacher scholarship loan  
26 under AS 14.43.600 - 14.43.700 if a family education loan is made on  
27 behalf of the student under AS 14.43.710 - 14.43.790 or if the student  
28 receives a scholarship loan under AS 14.43.090 - 14.43.160 for the  
29 same school year.

1 \* Sec. 16. AS 14.43 is amended by adding new sections to read:

2 ARTICLE 8. ALASKA FAMILY EDUCATION LOAN PROGRAM.

3 Sec. 14.43.710. PROGRAM ESTABLISHED. The Alaska family educa-  
4 tion loan program is established to provide low interest loans to  
5 families to assist in paying the costs of postsecondary education for  
6 family members.

7 Sec. 14.43.720. FAMILY EDUCATION LOAN ACCOUNT. (a) The family  
8 education loan account is created within the scholarship revolving  
9 loan fund (AS 14.43.090). The account shall be used to make family  
10 education loans to families selected under AS 14.43.710 - 14.43.790,  
11 to pay the costs of collecting family education loans that are in  
12 default if those costs are not recovered from the family, and to pay  
13 the costs of administering the account. Unless the instrument evi-  
14 dencing the family education loan has been sold or assigned to the  
15 Alaska Student Loan Corporation, repayments of principal and interest  
16 on family education loans shall be paid into the family education loan  
17 account. If estimated funds available from family education loan  
18 repayments are inadequate to fully fund estimated family education  
19 loans in a fiscal year, additional funding from the general fund may  
20 be requested and appropriated for that year.

21 (b) The student financial aid committee created under AS 14.43.-  
22 095 may sell or assign notes and other instruments evidencing family  
23 education loans to the Alaska Student Loan Corporation and enter into  
24 agreements with the corporation relating to loans, the administration  
25 of the student loan fund created under AS 14.42.210, and the payment  
26 of and security for bonds of the corporation. Proceeds from the sale  
27 or assignment of notes and other instruments shall be deposited in the  
28 family education loan account.

29 Sec. 14.43.730. ADMINISTRATION. The family education loan

1 program shall be administered by the student financial aid committee  
2 (AS 14.43.095) under regulations adopted by the committee.

3 Sec. 14.43.740. LOAN TERMS AND CONDITIONS. (a) The provisions  
4 of AS 14.43.100, 14.43.110, 14.43.115, 14.43.120(a) - (d), (i), (m),  
5 and (r), and 14.43.135, apply to a loan made under AS 14.43.710 -  
6 14.43.790.

7 (b) The provisions of AS 14.43.120(p) apply to a loan made under  
8 AS 14.43.710 - 14.43.790 with respect to the family member on whose  
9 behalf a loan is made.

10 (c) Interest on a loan made under AS 14.43.710 - 14.43.790 is at  
11 a rate of five percent a year unless the loan is in default. Interest  
12 on a loan that is in default is 10 percent a year.

13 (d) Repayment of the principal and interest on a loan made under  
14 AS 14.43.710 - 14.43.790 begins on the first of the month immediately  
15 following loan disbursement. The loan may be cancelled without preju-  
16 dice at any time before actual disbursement. The loan shall provide  
17 for repayment of the total amount owed in periodic installments in not  
18 more than 10 years from the commencement of repayment. If the commis-  
19 sion and the borrower agree to a different repayment schedule, the  
20 borrower shall repay the loan in accordance with the agreement.

21 (e) Provision shall be made for payment by the borrower of fees  
22 and costs incurred in collection of delinquent or defaulted loans.

23 Sec. 14.43.750. ELIGIBILITY. (a) A person may apply for and  
24 obtain a family education loan on behalf of a family member if

25 (1) the borrower is a resident of the state at the time of  
26 application for the loan; for purposes of this paragraph, a borrower  
27 qualifies as a resident of the state if the borrower has been phys-  
28 ically present in the state for at least two years immediately before  
29 the time of application for the loan;

1           (2) the family member has been claimed as a dependent for  
2 federal tax purposes by the borrower for the tax year immediately  
3 before the time of application and

4           (A) is enrolled as a full-time student in a career  
5 education, associate, baccalaureate, or graduate degree program;  
6 or

7           (B) is a graduate of a high school or the equivalent,  
8 or scheduled for graduation from a high school within six months,  
9 with sufficient credits to be admitted to a career education  
10 program or to an accredited college or university; and

11           (3) neither the borrower nor the family member is delin-  
12 quent or in default on a previously awarded student loan from the  
13 state.

14           (b) A family education loan may not be made on behalf of a  
15 family member if the family member receives a scholarship loan under  
16 AS 14.43.090 - 14.43.160 or a teacher scholarship loan under AS 14.-  
17 43.600 - 14.43.700 for the same school year.

18           Sec. 14.43.790. DEFINITIONS. (a) In AS 14.43.710 - 14.43.790

19           (1) "default" means a loan that is 120 days or more past  
20 due in repayment;

21           (2) "delinquent" means a loan that is 60 days or more past  
22 due in repayment.

23           (b) The definitions set out in AS 14.43.160 apply to AS 14.43.-  
24 710 - 14.43.790.

25 \* Sec. 17. AS 43.23 is amended by adding a new section to read:

26           Sec. 43.23.067. CLAIMS OF DEFAULTED SCHOLARSHIP LOANS. (a)  
27 AS 09.38 does not apply to permanent fund dividends taken under  
28 AS 14.43.120(i). Notwithstanding AS 09.35, execution on a claim under  
29 AS 14.43.120(i) is accomplished by delivering a certified claim to the

1 department containing the following information:

2 (1) the name and social security number of the individual  
3 whose dividend is being claimed;

4 (2) the amount the individual owes on the scholarship loan;  
5 and

6 (3) a statement that

7 (A) the debt has not been contested, or, if contested,  
8 that the issue has been resolved in favor of the Alaska Commis-  
9 sion on Postsecondary Education; and

10 (B) if the debt has been contested and resolved in  
11 favor of the Alaska Commission on Postsecondary Education, no  
12 appeal is pending, the time limit for filing an appeal has ex-  
13 pired, or the appeal has been resolved in favor of the commis-  
14 sion.

15 (b) Upon receipt of a claim under (a) of this section the de-  
16 partment shall notify the individual of the claim. The notice shall  
17 be sent to the address provided in the individual's permanent fund  
18 dividend application and must provide the following information:

19 (1) the amount of the claim; and

20 (2) notice that the amount of the permanent fund dividend  
21 that does not exceed the amount of the claim shall be paid to the  
22 Alaska Commission on Postsecondary Education unless the commission  
23 releases the claim or the individual requests a hearing within 30 days  
24 after the date the notice is sent by the department.

25 (c) AS 44.62.330 - 44.62.630 apply to a hearing requested by an  
26 individual under (b)(2) of this section. If a request for a hearing  
27 is not received by the department within the required time limit, the  
28 department shall pay to the Alaska Commission on Postsecondary Educa-  
29 tion the amount of the permanent fund dividend that does not exceed

1       the amount of the claim.

2       \* Sec. 18. AS 14.43.120(j) and 14.43.120(o) are repealed.

3       \* Sec. 19. This Act takes effect July 1, 1987.

*Outdated*  
*5/16/87*  
5-0317N

Original sponsors: Sund and Boucher

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 SENATE CS FOR CS FOR HOUSE BILL NO. 39 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to student loans and family educa-  
7 tion loans; creating the Alaska Student Loan Corpora-  
8 tion; and providing for an effective date."

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

10 \* Section 1. AS 14.42 is amended by adding a new section to read:

11 Sec. 14.42.032. LIMITATION ON AWARDING LOANS. In administering  
12 AS 14.43.090 - 14.43.325, 14.43.600 - 14.43.700, and 14.43.710 -  
13 14.43.790, the commission may not during a fiscal year award loans  
14 with a total value that exceeds by more than three percent the total  
15 value of loans awarded under those provisions during the previous  
16 fiscal year. This limitation may be exceeded only if the commission  
17 is specifically authorized to do so by law.

18 \* Sec. 2. AS 14.42 is amended by adding new sections to read:

19 ARTICLE 2. ALASKA STUDENT LOAN CORPORATION.

20 Sec. 14.42.100. CREATION OF ALASKA STUDENT LOAN CORPORATION.

21 There is created the Alaska Student Loan Corporation. The corporation  
22 is a public corporation and government instrumentality within the  
23 Department of Education but having a legal existence independent of  
24 and separate from the state. The corporation may not be terminated as  
25 long as it has bonds, notes, or other obligations outstanding. Upon  
26 termination of the corporation, its rights and property pass to the  
27 state.

28 Sec. 14.42.110. PURPOSE OF CORPORATION. The purpose of the  
29 corporation is to improve higher educational opportunities for

1 residents of the state in accordance with this chapter.

2 Sec. 14.42.120. CORPORATION GOVERNING BODY. (a) The corpor-  
3 ation shall be governed by a board of directors appointed by the  
4 governor consisting of two members of the Alaska Commission on Post-  
5 secondary Education, each of whom is selected for the commission under  
6 AS 14.42.015(a)(1) - (2), (4) - (6), (8), or (9) and the commissioner  
7 of revenue, the commissioner of administration, and the commissioner  
8 of commerce and economic development. Members of the board serve  
9 without compensation but the members who are also members of the  
10 Alaska Commission on Postsecondary Education are entitled to per diem  
11 and travel expenses authorized by law for boards and commissions under  
12 AS 39.20.180.

13 (b) The board shall elect a chairman from among its membership  
14 at its annual meeting each year. A majority of the members constitute  
15 a quorum for organizing the board, conducting its business, and exer-  
16 cising the powers of the corporation.

17 Sec. 14.42.130. MEETINGS OF THE BOARD. (a) The board shall  
18 meet at the call of its chairman and at other times as the board may  
19 determine in accordance with its regulations.

20 (b) Public notice of a meeting of the board at which the issu-  
21 ance of corporation bonds is authorized shall be provided at least 24  
22 hours before the meeting.

23 Sec. 14.42.140. MINUTES OF MEETINGS. The board shall keep  
24 minutes of each meeting and send a certified copy to the governor and  
25 to the Legislative Budget and Audit Committee.

26 Sec. 14.42.150. ADMINISTRATION OF AFFAIRS. The board shall  
27 manage the assets and business of the corporation and may adopt bylaws  
28 and regulations, in accordance with the Administrative Procedure Act  
29 (AS 44.62), governing the manner in which the business of the

1 corporation is conducted and the manner in which its powers are  
2 exercised. The board shall delegate supervision of the administration  
3 of the corporation to the executive officer of the corporation.

4 Sec. 14.42.160. EXECUTIVE OFFICER. The executive officer of the  
5 Commission on Postsecondary Education appointed under AS 14.42.040(a)  
6 shall serve as executive officer of the corporation. The board shall  
7 prescribe the duties of the executive officer.

8 Sec. 14.42.170. STAFF. The employees of the Alaska Commission  
9 on Postsecondary Education shall serve as staff for the corporation.

10 Sec. 14.42.190. BUDGET. The operating budget of the corporation  
11 is subject to AS 37.07 (Executive Budget Act).

12 Sec. 14.42.200. GENERAL POWERS. In addition to other powers  
13 granted in this chapter, the corporation may

- 14 (1) sue and be sued in its own name;
- 15 (2) adopt an official seal;
- 16 (3) adopt regulations under AS 44.62 (Administrative Proce-  
17 dure Act) to carry out the purposes of this chapter;
- 18 (4) make and execute agreements, contracts, and other in-  
19 struments necessary or convenient in the exercise of the powers and  
20 functions of the corporation, including contracts with a person or  
21 governmental entity;
- 22 (5) receive, administer, and comply with the conditions and  
23 requirements respecting any appropriation, gift, grant, or donation of  
24 property or money;
- 25 (6) borrow money as provided in this chapter to carry out  
26 its corporate purposes and issue its obligations as evidence of the  
27 borrowing;
- 28 (7) include in a borrowing the amounts to pay financing  
29 charges, interest on the obligations for a period not exceeding one

1 year after the date on which the corporation estimates funds will  
2 otherwise be available to pay the interest, consultant, advisory and  
3 legal fees and other expenses necessary or incident to the borrowing;

4 (8) invest or reinvest, subject to its contracts with  
5 noteholders and bondholders, money held by the corporation in obliga-  
6 tions or other securities authorized for investments of the commis-  
7 sioner of revenue under AS 37.10.070(a);

8 (9) collect from a borrower amounts owed with respect to a  
9 student loan the corporation has purchased;

10 (10) gather information on student loans available to resi-  
11 dents of Alaska and disseminate the information to reasonably assure  
12 that qualified residents are aware of financial resources available to  
13 those attending or desiring to attend institutions for which loans may  
14 be made under AS 14.43.090 - 14.43.325, 14.43.600 - 14.43.700, or  
15 14.43.710 - 14.43.790;

16 (11) service student loans held by the corporation;

17 (12) purchase or participate in the purchase of student  
18 loans;

19 (13) contract in advance for the purchase or sale of student  
20 loans;

21 (14) sell or participate in the sale, either public or  
22 private and on terms authorized by the board, of student loans to the  
23 Student Loan Marketing Association or to other purchasers;

24 (15) collect and pay reasonable fees and charges in connec-  
25 tion with the purchase, sale, and servicing of student loans;

26 (16) enter into agreements with the federal government,  
27 including guaranty agreements and supplemental guaranty agreements as  
28 described in the United States Higher Education Act of 1965, as neces-  
29 sary to provide for the receipt by the corporation of administrative

1 allowances and other benefits available under the United States Higher  
2 Education Act of 1965;

3 (17) administer federal money allotted to the state involv-  
4 ing insured student loans and related administrative costs and other  
5 matters;

6 (18) enter into agreements with the Alaska Commission on  
7 Postsecondary Education relating to student loans, the administration  
8 of the student loan fund created under AS 14.42.210, and the payment  
9 of and security for bonds of the corporation;

10 (19) to the extent permitted under contracts with bond  
11 holders, consent to the modification of the rate of interest, time of  
12 payment of an installment of principal or interest, or other terms of  
13 a student loan purchased by the corporation;

14 (20) procure insurance against any loss in connection with  
15 the operation of its programs;

16 (21) provide advisory services to borrowers and other parti-  
17 cipants in the corporation's programs;

18 (22) enter into credit facility agreements and make pledges,  
19 covenants, and agreements with respect to the repayment of borrowings  
20 under the credit facility agreements;

21 (23) do all acts necessary, convenient, or desirable to  
22 carry out the powers expressly granted or necessarily implied in  
23 AS 14.42.100 - 14.42.500.

24 Sec. 14.42.210. STUDENT LOAN FUND. (a) The student loan fund  
25 is established in the corporation. The student loan fund is a trust  
26 fund to be used to carry out the purposes of AS 14.42.100 - 14.42.500,  
27 AS 14.43.090 - 14.43.325, 14.43.600 - 14.43.700, and 14.43.710 -  
28 14.43.790. The fund consists of money or assets appropriated or  
29 transferred to the corporation for the fund and money or assets

1 deposited in it by the corporation. The corporation may establish  
2 separate accounts in the fund.

3 (b) Money and other assets of the student loan fund may be used  
4 to secure bonds of the corporation, invested in student loans and in-  
5 vestments described in AS 37.10.070(a) and used to purchase loans  
6 approved under AS 14.43.090 - 14.43.325, 14.43.600 - 14.43.700, or  
7 14.43.710 - 14.43.790.

8 (c) The student loan fund shall be administered by the Alaska  
9 Commission on Postsecondary Education. The corporation and the com-  
10 mission may enter into agreements relating to the administration of  
11 the fund. The corporation may assign its rights under the agreements  
12 for the benefit and security of holders of its bonds.

13 Sec. 14.42.220. BONDS OF THE CORPORATION. (a) Subject to (f)  
14 of this section, the corporation may borrow money and may issue bonds,  
15 on which the principal and interest are payable from its income and  
16 receipts or other assets or a designated part or parts of them.

17 (b) Bonds may be authorized only by resolution of the board.  
18 Bonds shall be dated, bear interest at the rate or rates, be in the  
19 denominations, be in the form, either coupon or registered, carry the  
20 registration privileges, be executed in the manner, be payable in the  
21 medium of payment, at the place or places, be subject to the terms of  
22 redemption, and mature as provided by the resolution or a subsequent  
23 resolution. However, a bond may not mature more than 30 years after  
24 the date it is issued.

25 (c) Bonds of the corporation, regardless of form or character,  
26 are negotiable instruments for all the purposes of the Uniform Commer-  
27 cial Code (AS 45.01 - AS 45.09).

28 (d) Bonds of the corporation may be sold at public or private  
29 sale in the manner, for the price or prices, and at the time or times

1 that the board determines.

2 (e) The superior court has jurisdiction to hear and determine  
3 proceedings relating to the corporation, including proceedings brought  
4 by or for the benefit of a bondholder or by a trustee for or other  
5 representative of a bondholder.

6 (f) The corporation may not issue bonds, other than refunding  
7 bonds, during any two consecutive fiscal years in an aggregate amount  
8 greater than \$125,000,000 unless the legislature, by law, approves  
9 issuance of a greater amount.

10 Sec. 14.42.230. TRUST INDENTURES AND TRUST AGREEMENTS. An  
11 issue of bonds by the corporation may be secured by a trust indenture  
12 or trust agreement between the corporation and a corporate trustee,  
13 which may be a trust company, bank, or national banking association,  
14 with corporate trust powers, located inside or outside the state, or  
15 by a secured loan agreement or other instrument or under a resolution  
16 giving powers to a corporate trustee by means of which the corporation  
17 may:

18 (1) enter into agreements with the trustee or the bond-  
19 holders that the board determines to be necessary or desirable, in-  
20 cluding covenants, provisions, limitations, and other agreements as to  
21 the

22 (A) application, investment, deposit, use, and dispo-  
23 sition of the proceeds of bonds of the corporation or of money or  
24 other property of the corporation or in which it has an interest;

25 (B) fixing and collecting loan payments and other  
26 consideration for a student loan;

27 (C) assignment by the corporation of its rights in a  
28 student loan or in a mortgage or other security interest created  
29 with respect to a student loan to a trustee for the benefit of

1 bondholders;

2 (D) terms and conditions upon which additional bonds  
3 of the corporation may be issued;

4 (E) vesting in a trustee of rights, powers, duties,  
5 funds, or property in trust for the benefit of bondholders, in-  
6 cluding the right to enforce payment, performance, and other  
7 rights of the corporation or of the bondholders, under a student  
8 loan or a security interest created with respect to a student  
9 loan;

10 (2) pledge, mortgage or assign money, agreements, property,  
11 or other assets of the corporation either presently in hand or to be  
12 received in the future, or both; and

13 (3) provide for other matters that in any way affect the  
14 security or protection of the bonds.

15 Sec. 14.42.240. RESERVES AND CAPITAL RESERVES. (a) For the  
16 purpose of securing one or more issues of bonds of the corporation,  
17 the board may establish one or more special funds, called "capital  
18 reserve funds," and may pay into those capital reserve funds the  
19 proceeds of the sale of bonds and other money available to the corpo-  
20 ration from other sources for the purposes of the capital reserve  
21 funds. A capital reserve fund may be established only if the board  
22 determines that the establishment of the fund would enhance the mar-  
23 ketability of the bonds. Money in a capital reserve fund, except as  
24 provided in this section, may be used as required only for the (1)  
25 payment of the principal of, and interest on, bonds or of the sinking  
26 fund payments with respect to those bonds; (2) purchase or redemption  
27 of the bonds; or (3) payment of a redemption premium required to be  
28 paid when the bonds are redeemed before maturity. However, money in a  
29 capital reserve fund may not be withdrawn if the withdrawal would

1 reduce the amount in the capital reserve fund to less than the capital  
2 reserve fund requirement, except for the purpose of making payment,  
3 when due, of principal, interest, or redemption premiums on the bonds  
4 when other money of the corporation is not available for the payments.  
5 Income or interest earned by, or increment to, a capital reserve fund,  
6 from the investment of all or part of the fund, may be transferred by  
7 the corporation to other funds or accounts of the corporation if the  
8 transfer does not reduce the amount of the capital reserve fund below  
9 the capital reserve fund requirement.

10 (b) If the board decides to issue bonds secured by a capital  
11 reserve fund, the bonds may not be issued if the amount in the capital  
12 reserve fund is less than the capital reserve fund requirement, unless  
13 the corporation, at the time of issuance of the bonds, pledges to  
14 deposit in the capital reserve fund from the proceeds of the bonds to  
15 be issued or from other sources, an amount that, together with the  
16 amount then in the fund, is not less than the capital reserve fund  
17 requirement.

18 (c) In computing the amount of a capital reserve fund for the  
19 purpose of this section, securities in which all or a portion of the  
20 fund is invested and credit facilities deposited in or credited to a  
21 capital reserve fund under (f) of this section shall be valued by a  
22 reasonable method established by the board by resolution. Valuation  
23 shall include the amount of interest earned or accrued as of the date  
24 of valuation.

25 (d) By January 15 of each year, the chairman of the board shall  
26 certify in writing to the governor and the legislature the amount, if  
27 any, required to restore a capital reserve fund to the capital reserve  
28 fund requirement. The legislature may appropriate to the corporation  
29 the amount certified by the chairman. The corporation shall deposit

1 the amounts appropriated under this subsection during a fiscal year in  
2 the proper capital reserve fund. This subsection does not create a  
3 debt or liability of the state.

4 (e) The board may establish reserve funds, other than capital  
5 reserve funds, to secure one or more issues of bonds of the corpo-  
6 ration. The corporation may deposit in a reserve fund established  
7 under this subsection the proceeds of sale of its bonds and other  
8 money available from any other source. The corporation may allow a  
9 reserve fund established under this subsection to be depleted without  
10 complying with (d) of this section.

11 (f) The corporation may hold in a capital reserve fund, in lieu  
12 of money and in satisfaction of all or part of a capital reserve fund  
13 requirement, irrevocable letters of credit issued by a commercial  
14 bank, surety bonds, insurance policies, and similar credit facilities.

15 (g) In this section, "capital reserve fund requirement" means  
16 the amount required to be on deposit in the capital reserve fund as of  
17 the date of computation as determined by resolution of the board.

18 Sec. 14.42.250. VALIDITY OF PLEDGE. It is the intention of the  
19 legislature that a pledge made in respect to bonds of the corporation  
20 shall be valid and binding from the time the pledge is made; that the  
21 money or property so pledged and thereafter received by the corpora-  
22 tion shall immediately be subject to the lien of the pledge without  
23 physical delivery or further act; and that the lien of the pledge  
24 shall be valid and binding as against all parties having claims of any  
25 kind in tort, contract, or otherwise against the corporation irrespec-  
26 tive of whether the parties have notice. Neither the resolution,  
27 trust agreement, nor other instrument by which a pledge is created  
28 need be recorded or filed under the provisions of the Uniform Commer-  
29 cial Code (AS 45.01 - AS 45.09) to be valid, binding, or effective.

1           Sec. 14.42.260. NONLIABILITY ON BONDS. (a) The members of the  
2 board and individuals executing the bonds of the corporation are not  
3 liable personally on the bonds or subject to personal liability or  
4 accountability by reason of the issuance of the bonds.

5           (b) The bonds issued by the corporation do not constitute an  
6 indebtedness or other liability of the state or of a political sub-  
7 division of the state, except the corporation, but shall be payable  
8 solely from the income and receipts or other funds or property of the  
9 corporation. The corporation may not pledge the faith or credit of  
10 the state, or of a political subdivision of the state, except the  
11 corporation, to the payment of a bond. Issuance of a bond by the  
12 corporation does not directly, indirectly, or contingently obligate  
13 the state or a political subdivision of the state to apply money from,  
14 or levy or pledge any form of taxation whatever to the payment of the  
15 bond.

16           Sec. 14.42.265. UNDERWRITERS. The board may select one or more  
17 underwriters for its bonds in accordance with procedures

18           (1) for the award of a contract under AS 36.30.200 -  
19 36.30.260; or

20           (2) adopted by regulations of the board that are based on  
21 the competitive principles of AS 36.30.200 - 36.30.260 and are adapted  
22 to the special needs of the corporation in the selling of its bonds as  
23 determined by the board.

24           Sec. 14.42.270. PLEDGE AND AGREEMENT OF STATE. The state  
25 pledges to and agrees with holders of bonds issued by the corporation  
26 that the state will not limit or alter the rights and powers vested in  
27 the corporation under AS 14.42.100 - 14.42.330 to fulfill the terms of  
28 a contract made by the corporation with the bondholders or in any way  
29 impair the rights and remedies of the bondholders until the bonds,

1 together with the interest on them with interest on unpaid install-  
2 ments of interest, and all costs and expenses in connection with an  
3 action or proceeding by or on behalf of the bondholders, are fully met  
4 and discharged. The corporation may include this pledge and agreement  
5 of the state in a contract with bondholders.

6 Sec. 14.42.280. EXEMPTION FROM TAXATION. The real and personal  
7 property of the corporation and its assets, income, and receipts are  
8 declared to be the property of a political subdivision of the state  
9 and devoted to an essential public and governmental function and  
10 purpose, and the property, assets, income, receipts, and other in-  
11 terests of the corporation are exempt from all taxes and special  
12 assessments of the state or a political subdivision of the state,  
13 including municipalities, school districts, public utility districts,  
14 and other governmental units. Bonds of the corporation are declared  
15 to be issued by a political subdivision of the state and for an essen-  
16 tial public and governmental purpose, and the bonds, interest on them,  
17 income from them, and transfer of them, and all assets, income, and  
18 receipts pledged to pay or secure the payment of the bonds, or inter-  
19 est on them, are exempt from taxation by or under the authority of the  
20 state, except for inheritance and estate taxes and taxes on transfers  
21 by or in contemplation of death.

22 Sec. 14.42.290. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The  
23 bonds of the corporation are securities in which public officers and  
24 bodies of the state, municipalities, insurance companies, insurance  
25 associations, other persons carrying on an insurance business, banks,  
26 bankers, trust companies, savings banks, savings associations, build-  
27 ing and loan associations, investment companies, other persons carry-  
28 ing on a banking business, administrators, guardians, executors,  
29 trustees, other fiduciaries, and other persons who are authorized to

1 invest in bonds or other obligations of the state, may properly and  
2 legally invest funds including capital in their control or belonging  
3 to them. Notwithstanding any other provisions of law, the bonds of  
4 the corporation are also securities that may be deposited with and may  
5 be received by public officers and bodies of the state and municipal-  
6 ities for any purpose for which the deposit of bonds or other obliga-  
7 tions of the state is now or may be authorized.

8 Sec. 14.42.300. OPERATION OF CERTAIN STATUTES EXCEPTED. (a)  
9 The corporation is not a municipality as the term is defined in  
10 AS 01.10.060. Except as provided in AS 14.42.190, the corporation is  
11 not subject to AS 37. For all other purposes the corporation is a  
12 political subdivision and an instrumentality of the state.

13 (b) The funds, income, and receipts of the corporation are not  
14 money of the state, nor may real property in which the corporation has  
15 an interest be considered land owned in fee by the state or to which  
16 the state may become entitled or in any way land belonging to the  
17 state, or state land referred to in art. VIII of the Alaska Constitu-  
18 tion.

19 Sec. 14.42.310. ANNUAL AUDIT. The financial records of the  
20 corporation shall be audited annually by the legislative auditor or by  
21 a certified public accountant approved by the legislative auditor.  
22 The legislative auditor may prescribe the form and content of the  
23 financial records of the corporation and shall have access to these  
24 records at any time.

25 Sec. 14.42.500. DEFINITIONS. In AS 14.42.100 - 14.42.500,

26 (1) "board" means the board of directors of the corpo-  
27 ration;

28 (2) "corporation" means the Alaska Student Loan Corpora-  
29 tion.

1 \* Sec. 3. AS 14.43.090(a) is amended to read:

2 (a) There is created a scholarship revolving loan fund. The  
3 fund shall be used to make scholarship loans to students selected  
4 under AS 14.43.090 - 14.43.160, [AND] to pay the costs of collecting  
5 scholarship [STUDENT] loans that are in default if those costs are not  
6 recovered from the student, and to pay the costs of administering the  
7 fund. Unless the instrument evidencing the scholarship loan has been  
8 sold or assigned to the Alaska Student Loan Corporation, [. ALL]  
9 repayments of principal and interest on a scholarship loan [LOANS]  
10 shall be paid into the scholarship revolving loan fund. If money  
11 estimated to be available [FROM SCHOLARSHIP LOAN REPAYMENTS] is inade-  
12 quate to fully fund estimated scholarship loans for any fiscal year,  
13 additional funding from the general fund may be requested and appro-  
14 priated for that year.

15 \* Sec. 4. AS 14.43.090 is amended by adding a new subsection to read:

16 (d) The student financial aid committee created under AS 14.43.-  
17 095 may sell or assign notes and other instruments evidencing scholar-  
18 ship loans to the Alaska Student Loan Corporation and enter into  
19 agreements with the corporation relating to loans, the administration  
20 of the student loan fund created under AS 14.42.210, and the payment  
21 of and security for bonds of the corporation. Proceeds from the sale  
22 or assignment of notes and other instruments shall be deposited in the  
23 scholarship revolving loan fund.

24 \* Sec. 5. AS 14.43.120(d) is amended to read:

25 (d) Scholarship loans may not be made to a student

26 (1) for more than five years of undergraduate study;

27 (2) for more than five years of graduate study;

28 (3) for more than a total of eight years of undergraduate  
29 and graduate study;

1           (4) to attend an institution, other than a nonprofit insti-  
2 tution, if the total amount of scholarship loans made to students to  
3 attend that institution exceeds \$100,000 and the default rate on those  
4 loans exceeds the program default rate by more than 150 percent as  
5 defined by regulation.

6 \* Sec. 6. AS 14.43.120(h) is amended to read:

7           (h) Security may not be required for a loan [THE LOANS]; how-  
8 ever, provision shall be made for payment of all [ATTORNEY] fees and  
9 costs [OF COURT IF EITHER OR BOTH ARE] incurred in collection of the  
10 amount owed on the loan if it becomes delinquent or in default.

11 \* Sec. 7. AS 14.43.120(i) is amended to read:

12           (i) If a loan is in default, the commission shall notify the  
13 borrower that repayment of the remaining balance is accelerated and  
14 due by sending the borrower a notice by registered or certified mail.  
15 The permanent fund dividend of a borrower may be taken under AS 43.-  
16 23.065(b)(4) to satisfy the balance due on the defaulted loan.

17 \* Sec. 8. AS 14.43.120(1) is amended to read:

18           (1) The state shall [WILL] pay the interest on that portion of a  
19 loan that is not federally insured during

20               (1) the period in which the borrower is a full-time student  
21 [BEFORE THE BEGINNING OF THE REPAYMENT PERIOD OF THE LOAN];

22               (2) deferments under (k) of this section; or [.]

23               (3) the 12 months after the borrower ceases to be a  
24 full-time student if the borrower has paid an amount equal to 10  
25 percent of the total loan balance before the end of the 12-month  
26 period.

27 \* Sec. 9. AS 14.43.120 is amended by adding a new subsection to read:

28           (r) The rate of interest, time of payment of an installment of  
principal or interest, or other terms of a scholarship loan may be

1 modified if required to establish or maintain tax-exempt status under  
2 26 U.S.C. 103 (Internal Revenue Code of 1986), as amended, for the  
3 interest on bonds issued by the Alaska Student Loan Corporation.

4 \* Sec. 10. AS 14.43.125 is amended by adding a new subsection to read:

5 (c) A person may not be awarded a scholarship loan under AS 14.-  
6 43.090 - 14.43.160 if a family education loan is made on behalf of  
7 that person under AS 14.43.710 - 14.43.790 or if that person receives  
8 a teacher scholarship loan under AS 14.43.600 - 14.43.700 for the same  
9 school year.

10 \* Sec. 11. AS 14.43.255(a) is amended to read:

11 (a) There is created a memorial scholarship revolving loan fund.  
12 The fund shall be used to provide educational scholarship loans to  
13 students selected under AS 14.43.250 - 14.43.325. Unless the instru-  
14 ment evidencing the memorial scholarship loan has been sold or as-  
15 signed to the Alaska Student Loan Corporation, repayments [REPAYMENTS]  
16 of a loan [LOANS MADE UNDER AS 14.43.250(b)(1) - (4)] shall be de-  
17 posited into the memorial scholarship revolving loan fund and [REPAY-  
18 MENTS OF LOANS MADE UNDER AS 14.43.250(b)(5) SHALL BE DEPOSITED INTO  
19 THE SCHOLARSHIP REVOLVING LOAN FUND CREATED UNDER AS 14.43.090.  
20 REPAYMENTS] shall be used to make new loans.

21 \* Sec. 12. AS 14.43.255 is amended by adding a new subsection to read:

22 (c) The student financial aid committee created under AS 14.43.-  
23 095 may sell or assign notes and other instruments evidencing memorial  
24 scholarship loans to the Alaska Student Loan Corporation and enter  
25 into agreements with the corporation relating to loans, the adminis-  
26 tration of the student loan fund created under AS 14.42.210, and the  
27 payment of and security for bonds of the corporation. Proceeds from  
28 the sale or assignment of a note or other instrument shall be de-  
29 posited in the appropriate memorial scholarship loan fund account.

1 \* Sec. 13. AS 14.43.620 is amended to read:

2       Sec. 14.43.620. TEACHER SCHOLARSHIP REVOLVING LOAN FUND. There  
3 is created a teacher scholarship revolving loan fund. The fund shall  
4 be used to make scholarship loans to students selected under AS 14.-  
5 43.600 - 14.43.700. Unless the instrument evidencing the teacher  
6 scholarship loan has been sold or assigned to the Alaska Student Loan  
7 Corporation, [ALL] repayments of principal and interest on a teacher  
8 scholarship loan [LOANS] shall be paid into the teacher scholarship  
9 revolving loan fund and shall be used to make new teacher scholarship  
10 loans. If estimated funds available [FROM TEACHER SCHOLARSHIP LOAN  
11 REPAYMENTS] are inadequate to fully fund estimated teacher scholarship  
12 loans for any fiscal year, additional funding from the general fund  
13 may be requested and appropriated for that year.

14 \* Sec. 14. AS 14.43.620 is amended by adding a new subsection to read:

15       (b) The student financial aid committee created under AS 14.43.-  
16 095 may sell or assign notes and other instruments evidencing teacher  
17 scholarship loans to the Alaska Student Loan Corporation and enter  
18 into agreements with the corporation relating to loans, the adminis-  
19 tration of the student loan fund created under AS 14.42.210 and the  
20 payment of and security for bonds of the corporation. Proceeds from  
21 the sale or assignment of the notes or other instruments shall be  
22 deposited in the teacher scholarship revolving loan fund.

23 \* Sec. 15. AS 14.43.640(b) is amended to read:

24       (b) If a borrower meets the conditions provided in (a) of this  
25 section and is employed as a teacher in a rural elementary or secon-  
26 dary school, the portion of the loan that shall be paid by the state  
27 [, NOTWITHSTANDING AS 14.43.120(j),] is the following percentages of  
28 the total loan received plus interest up to a total of 100 percent of  
29 the total loan:

- 1 (1) one year employment, 15 percent;
- 2 (2) two years employment, an additional 15 percent;
- 3 (3) three years employment, an additional 15 percent;
- 4 (4) four years employment, an additional 25 percent;
- 5 (5) over four years employment, an additional 30 percent.

6 \* Sec. 16. AS 14.43.650(c) is repealed and reenacted to read:

7 (c) A student may not be awarded a teacher scholarship loan  
8 under AS 14.43.600 - 14.43.700 if a family education loan is made on  
9 behalf of the student under AS 14.43.710 - 14.43.790 or if the student  
10 receives a scholarship loan under AS 14.43.090 - 14.43.160 for the  
11 same school year.

12 \* Sec. 17. AS 14.43 is amended by adding new sections to read:

13 ARTICLE 8. ALASKA FAMILY EDUCATION LOAN PROGRAM.

14 Sec. 14.43.710. PROGRAM ESTABLISHED. The Alaska family educa-  
15 tion loan program is established to provide low interest loans to  
16 families to assist in paying the costs of postsecondary education for  
17 family members.

18 Sec. 14.43.720. FAMILY EDUCATION LOAN ACCOUNT. (a) The family  
19 education loan account is created within the scholarship revolving  
20 loan fund (AS 14.43.090). The account shall be used to make family  
21 education loans to families selected under AS 14.43.710 - 14.43.790,  
22 to pay the costs of collecting family education loans that are in  
23 default if those costs are not recovered from the family, and to pay  
24 the costs of administering the account. Unless the instrument evi-  
25 dencing the family education loan has been sold or assigned to the  
26 Alaska Student Loan Corporation, repayments of principal and interest  
27 on family education loans shall be paid into the family education loan  
28 account. If estimated funds available from family education loan  
29 repayments are inadequate to fully fund estimated family education

1 loans in a fiscal year, additional funding from the general fund may  
2 be requested and appropriated for that year.

3 (b) The student financial aid committee created under AS 14.43.-  
4 095 may sell or assign notes and other instruments evidencing family  
5 education loans to the Alaska Student Loan Corporation and enter into  
6 agreements with the corporation relating to loans, the administration  
7 of the student loan fund created under AS 14.42.210, and the payment  
8 of and security for bonds of the corporation. Proceeds from the sale  
9 or assignment of notes and other instruments shall be deposited in the  
10 family education loan account.

11 Sec. 14.43.730. ADMINISTRATION. The family education loan  
12 program shall be administered by the student financial aid committee  
13 (AS 14.43.095) under regulations adopted by the committee.

14 Sec. 14.43.740. LOAN TERMS AND CONDITIONS. (a) The provisions  
15 of AS 14.43.100, 14.43.110, 14.43.115, 14.43.120(a) - (d), (i), (m),  
16 and (r), and 14.43.135 apply to a loan made under AS 14.43.710 -  
17 14.43.790.

18 (b) The provisions of AS 14.43.120(p) apply to a loan made under  
19 AS 14.43.710 - 14.43.790 with respect to the family member on whose  
20 behalf a loan is made.

21 (c) Interest on a loan made under AS 14.43.710 - 14.43.790 is at  
22 a rate of five percent a year unless the loan is in default. Interest  
23 on a loan that is in default is 10 percent a year.

24 (d) Repayment of the principal and interest on a loan made under  
25 AS 14.43.710 - 14.43.790 begins on the first of the month immediately  
26 following loan disbursement. The loan may be cancelled without preju-  
27 dice at any time before actual disbursement. The loan shall provide  
28 for repayment of the total amount owed in periodic installments in not  
29 more than 10 years from the commencement of repayment. If the commis-

1 sion and the borrower agree to a different repayment schedule, the  
2 borrower shall repay the loan in accordance with the agreement.

3 (e) Provision shall be made for payment by the borrower of fees  
4 and costs incurred in collection of delinquent or defaulted loans.

5 Sec. 14.43.750. ELIGIBILITY. (a) A person may apply for and  
6 obtain a family education loan on behalf of a family member if

7 (1) the borrower is a resident of the state at the time of  
8 application for the loan; for purposes of this paragraph, a borrower  
9 qualifies as a resident of the state if the borrower has been phys-  
10 ically present in the state for at least two years immediately before  
11 the time of application for the loan;

12 (2) the family member has been claimed as a dependent for  
13 federal tax purposes by the borrower for the tax year immediately  
14 before the time of application and

15 (A) is enrolled as a full-time student in a career  
16 education, associate, baccalaureate, or graduate degree program;  
17 or

18 (B) is a graduate of a high school or the equivalent,  
19 or scheduled for graduation from a high school within six months,  
20 with sufficient credits to be admitted to a career education  
21 program or to an accredited college or university; and

22 (3) neither the borrower nor the family member is delin-  
23 quent or in default on a previously awarded student loan from the  
24 state.

25 (b) A family education loan may not be made on behalf of a  
26 family member if the family member receives a scholarship loan under  
27 AS 14.43.090 - 14.43.160 or a teacher scholarship loan under AS 14.-  
28 43.600 - 14.43.700 for the same school year.

29 Sec. 14.43.790. DEFINITIONS. (a) In AS 14.43.710 - 14.43.790

1 (1) "default" means a loan that is 120 days or more past  
2 due in repayment;

3 (2) "delinquent" means a loan that is 60 days or more past  
4 due in repayment.

5 (b) The definitions set out in AS 14.43.160 apply to AS 14.43.-  
6 710 - 14.43.790.

7 \* Sec. 18. AS 43.23 is amended by adding a new section to read:

8 Sec. 43.23.067. CLAIMS OF DEFAULTED SCHOLARSHIP LOANS. (a)  
9 AS 09.38 does not apply to permanent fund dividends taken under  
10 AS 14.43.120(i). Notwithstanding AS 09.35, execution on a claim under  
11 AS 14.43.120(i) is accomplished by delivering a certified claim to the  
12 department containing the following information:

13 (1) the name and social security number of the individual  
14 whose dividend is being claimed;

15 (2) the amount the individual owes on the scholarship loan;  
16 and

17 (3) a statement that

18 (A) the debt has not been contested, or, if contested,  
19 that the issue has been resolved in favor of the Alaska Commis-  
20 sion on Postsecondary Education; and

21 (B) if the debt has been contested and resolved in  
22 favor of the Alaska Commission on Postsecondary Education, no  
23 appeal is pending, the time limit for filing an appeal has ex-  
24 pired, or the appeal has been resolved in favor of the commis-  
25 sion.

26 (b) Upon receipt of a claim under (a) of this section the de-  
27 partment shall notify the individual of the claim. The notice shall  
28 be sent to the address provided in the individual's permanent fund  
29 dividend application and must provide the following information:

1 1 1

1

1

1 (1) the amount of the claim; and

2 (2) notice that the amount of the permanent fund dividend  
3 that does not exceed the amount of the claim shall be paid to the  
4 Alaska Commission on Postsecondary Education unless the commission  
5 releases the claim or the individual requests a hearing within 30 days  
6 after the date the notice is sent by the department.

7 (c) AS 44.62.330 - 44.62.630 apply to a hearing requested by an  
8 individual under (b)(2) of this section. If a request for a hearing  
9 is not received by the department within the required time limit, the  
10 department shall pay to the Alaska Commission on Postsecondary Educa-  
11 tion the amount of the permanent fund dividend that does not exceed  
12 the amount of the claim.

13 \* Sec. 19. AS 14.43.120(j) and 14.43.120(o) are repealed.

14 \* Sec. 20. This Act takes effect July 1, 1987.