



LAWS OF ALASKA

2009

Source
HB 109

Chapter No.

AN ACT

Relating to eligibility for the Alaska supplemental education loan program and to the interest rate for a loan made under the Alaska family education loan program; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to eligibility for the Alaska supplemental education loan program and to the interest
2 rate for a loan made under the Alaska family education loan program; and providing for an
3 effective date.

4



5 * **Section 1.** AS 14.43.172(c) is amended to read:

6 (c) In addition to the provisions of (a) of this section, a borrower is eligible for
7 a loan under AS 14.43.170 - 14.43.175 if the borrower

8 (1) is not delinquent in payment on a loan previously awarded by the
9 commission;

10 (2) at the time of application or loan disbursement, does not have a
11 past due child support obligation established by court order or by the child support
12 services agency under AS 25.27.160 - 25.27.220;

13 (3) has not, within the previous five years, had a loan discharged or
14 written off by the commission for any reason;

1 (4) does not have a status, at the time of application for a loan or
2 disbursement of loan money, that would prevent the borrower from repaying the loan
3 as it becomes due;

4 (5) has not, within the previous five years, defaulted on another loan
5 made to the borrower by a lending entity unless the borrower can show good faith
6 efforts to repay the loan and extraordinary circumstances that led to the default;

7 (6) **has** [DOES NOT HAVE] a credit history, at the time of application
8 for a loan, that demonstrates **an ability and willingness** [CHRONIC INABILITY OR
9 UNWILLINGNESS] to pay an extension of credit or loan as it becomes due; and

10 (7) has complied with the military selective service registration
11 requirements imposed under 50 U.S.C. App. 453 (Military Selective Service Act), if
12 those requirements were applicable to the person.

13 * **Sec. 2.** AS 14.43.740(c) is repealed and reenacted to read:

14 (c) The corporation shall set the interest rate on a loan made under
15 AS 14.43.710 - 14.43.750, but the annual rate may not exceed 8.25 percent.

16 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
17 read:

18 APPLICABILITY. AS 14.43.172(c), as amended by sec. 1 of this Act, and
19 AS 14.43.740(c), as repealed and reenacted by sec. 2 of this Act, first apply to loans made for
20 a school year that begins on or after July 1, 2009, and apply thereafter.

21 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
22 read:

23 TRANSITION: REGULATIONS. The legislature finds that the changes made by this
24 Act constitute an emergency under AS 44.62.250 and that the adoption of emergency
25 regulations under AS 44.62 is necessary for the immediate preservation of the general
26 welfare. The changes made to AS 14.43.172(c) in sec. 1 of this Act are needed in order that
27 loans under the Alaska supplemental education loan program will be assets of a quality that
28 may be used as security for bonds issued by the Alaska Student Loan Corporation to finance
29 the operations of its education loan programs. Therefore, the Alaska Commission on
30 Postsecondary Education may adopt as emergency regulations under AS 44.62 the regulations
31 necessary to implement the changes made by this Act.

1 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).