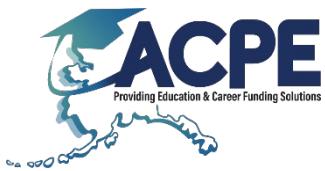


# ALASKA STUDENT LOAN CORPORATION

**February 5, 2026**

*Corporation Meeting*





## ALASKA STUDENT LOAN CORPORATION BOARD MEETING

[Zoom link](#)

Meeting #: 943 8236 9624

Password: ASLC

Teleconference: (888) 788-0099; Code: 943 8236 9624 #

### AGENDA

February 5, 2026

1.	<b>1:30 P.M.</b>	Convene/Roll Call
2.*	<b>Adoption of Agenda</b>	<ul style="list-style-type: none"> <li>➤ <i>Suggested motion: move to adopt the February 5, 2026 Corporation Meeting agenda.</i></li> </ul>
3.	<b>Ethics Disclosure Relative to Adopted Agenda</b>	
4.*	<b>Election of Officers – Vice Chair</b>	<ul style="list-style-type: none"> <li>• <i>ASLC Bylaws Article IV, Section 2. Election of Officers. The Board shall elect a Chair and Vice-Chair from among its membership at the last regularly scheduled meeting of the current fiscal year. The Chair and Vice-Chair shall take office immediately after election at that same meeting. The terms of office of the Chair and Vice-Chair shall be one (1) year, with no restriction on consecutive terms.</i></li> </ul>
5.*	<b>Approval of Meeting Minutes from November 6, 2025</b>	<ul style="list-style-type: none"> <li>➤ <i>Suggested Motion: move approval of the November 6, 2025 Corporation Meeting minutes.</i></li> </ul>
6.	<b>Public Testimony:</b>	<ul style="list-style-type: none"> <li>• Individuals: 3-minute limit</li> <li>• Group Representatives: 5-minute limit</li> </ul>
7.	<b>1:40 P.M.</b>	Executive Officer Report – Executive Officer Kerry Thomas
8.*	<b>1:50 P.M.</b>	ASLC Federal Single Audit Report – Chief Finance Officer Julie Pierce, and Karen Tarver, CPA, Partner, Elgee Rehfeld, LLC <ul style="list-style-type: none"> <li>➤ <i>Suggested Motion: move to accept the ASLC Federal Single Audit Report for 2025.</i></li> </ul>
9.*	<b>2:10 P.M.</b>	Adoption of Loan Program Fixed Interest Rates for Academic Year 2026-2027 <ul style="list-style-type: none"> <li>– Chief Finance Officer Julie Pierce</li> <li>➤ <i>Suggested Motion: move to adopt the proposed fixed interest rates and underwriting criteria for the 2026-2027 academic year loans.</i></li> </ul>
10.*	<b>2:20 P.M.</b>	Adoption of Proposed Annual and Aggregate Loan Limits – Program Manager Jackie Hall <ul style="list-style-type: none"> <li>➤ <i>Suggested Motion: move to adopt proposed annual and aggregate loan limits</i></li> </ul>
11.*	<b>2:40 P.M.</b>	AO360 Annual Regulatory Plan – Program Manager Jackie Hall <ul style="list-style-type: none"> <li>➤ <i>Suggested Motion: move approval for annual regulatory plan for changes to regulations in Title 20, Chapters 15-19, reduce ACPE's regulatory requirements in compliance with AO360.</i></li> </ul>
12.	<b>Review FY2026 Future Meeting Dates</b>	<ul style="list-style-type: none"> <li>• May 7, 2026 at 1:30 p.m.</li> </ul>
13.	<b>Board Member Closing Comments</b>	
14.*	<b>3:00 P.M.</b>	Adjournment <ul style="list-style-type: none"> <li>➤ <i>Suggested Motion: move to adjourn the February 5, 2026 Corporation Meeting.</i></li> </ul>

\*Action Required



## ASLC

### Meeting Minutes of November 6, 2025

A meeting of the Alaska Student Loan Corporation (ASLC), conducted via distance delivery, originated from the office of the Corporation at 3030 Vintage Boulevard, Juneau, Alaska on November 6, 2025. Chair Handeland called the meeting to order at approximately 1:30 p.m.

#### **ATTENDEES**

Board Members present for all or portions of the meeting: DCED Anna Latham, DOR Genevieve Wojtusik, Chair Donald Handeland

Board Members absent: Dave Donley

Corporation Staff present for all or portions of the meeting: Executive Officer Kerry Thomas, Director of Information Support Services Jamie Oliphant, Chief Finance Officer Julie Pierce, Director of Communications and Outreach Kate Hillenbrand, Assistant Attorney General Allison Baldock and Program Coordinator Kordel Thompson

Presenters in attendance: Karen Tarver with Elgee Rehfeld, LLC

#### **ADOPTION OF AGENDA**

Chair Handeland removed item number 4 and postponed to the next meeting. Member Latham moved to adopt the agenda of the November 6, 2025 Corporation meeting. Member Wojtusik seconded the motion. By roll call vote, all members present voted aye. The motion carried.

#### **ETHICS DISCLOSURE**

No ethics disclosures were made during this meeting.

#### **ELECTION OF OFFICERS**

No election of officers as it was removed and postponed to the next meeting.

#### **APPROVAL OF MINUTES**

Member Wojtusik moved to approve the minutes from the May 8, 2025 Corporation meeting. Member Latham seconded the motion. By roll call vote, all members present voted aye. The motion carried.

#### **PUBLIC TESTIMONY**

Chair Handeland opened the public testimony period. There being no public testifiers, Chair Handeland closed the period for public testimony.

#### **EXECUTIVE OFFICER REPORT – EXECUTIVE OFFICER KERRY THOMAS**

Executive Officer Thomas, provided an informational report highlighting Alaska Commission on Post-Secondary Education's (ACPE) preparation for the upcoming legislative session, with particular focus on the Higher Education Investment Fund, which supports the Alaska Performance Scholarship and Alaska Education Grant. Staff are preparing to brief legislators as they consider how to address the significant transfer made to cover the FY25 budget shortfall. The report also summarized ACPE's analysis of the federal "One Big Beautiful Bill Act," signed into law in July



## ASLC

### Meeting Minutes of November 6, 2025

2025, outlining its implications for ACPE operations, Alaska students, and postsecondary institutions statewide.

The report included updates on strategic planning activities, recent gubernatorial administrative orders affecting ACPE and the ASLC, and professional engagement efforts. A human resources update noted ongoing staffing challenges, with 13 of 51 budgeted positions currently vacant and four recent retirements totaling more than 100 years of combined state service. Leadership acknowledged the operational impacts of these vacancies and confirmed efforts to recruit and stabilize staffing within the constraints of existing administrative orders.

Finally, she summarized several policy concepts discussed at the Commission's October meeting that would require statutory or regulatory changes. These included exploring ways to direct potential ASLC dividends toward higher education programs, reducing reliance on loan cosigners to improve access, and developing partnerships with Alaska credit unions to expand student loan awareness and utilization. These items remain under development, with additional proposals and analysis expected to be brought back to the Corporation at future meetings.

*Discussion: Member Latham asked for an update on AO360 and related regulatory stakeholder engagement, and Executive Officer Thomas reported that ACPE has concluded its stakeholder meetings for the AO360 Regulations Reduction Initiative and has received feedback primarily on the Commission side, including comments related to the WWAMI medical education program and aspects of the Alaska Performance Scholarship. She noted that no formal feedback has been received to date on ASLC regulations, and that public input is still being collected through surveys, with the public comment period remaining open at the time of the meeting.*

### **CHIEF FINANCE OFFICER REPORT – CFO JULIE PIERCE**

Julie Pierce, presented an overview of the Annual Financial Statement Reports for fiscal year 2025, noting that the cover memo highlights the key financial results and variances compared to fiscal year 2024. She explained that total assets increased from \$222 million to \$230 million, driven primarily by higher investment balances, which were partially offset by a decline in loan receivable balances. The year-over-year increase in total net position was attributable to positive net income.

She reported that the statement of revenues, expenses, and changes in net position reflected net income of \$7.6 million for FY25, compared to \$9.5 million in the prior year. While overall income remained positive, interest income from loans decreased by \$1.9 million due to declining loan balances. This decrease was more than offset by a \$3 million increase in investment income, resulting from higher investment balances and improved investment returns.

She also noted that net income was partially offset by increases in the provision for loan losses and higher administrative expenses compared to the prior year. Overall, the financial statements reflect a continued shift toward investment-driven income and underscore the impact of declining loan balances on interest revenue.



**ASLC**

**Meeting Minutes of  
November 6, 2025**

**PRESENTATION ON FINANCIAL STATEMENTS – CHIEF FINANCE  
OFFICER JULIE PIERCE AND KAREN TARVER, CPA, PARTNER, ELGEE  
REHFELD, LLC**

Karen Tarver, a partner with Elgee Rehfeld and external auditor for the ASLC, presented an overview of the audit reports included in the meeting packet. She explained that the first report is the independent auditor's report on the corporation's financial statements, which resulted in an unmodified opinion. This indicates that the financial statements are materially accurate and prepared in accordance with generally accepted accounting principles. She also described the report's discussion of applicable auditing standards and management's responsibility for maintaining accurate financial reporting systems.

She noted that the audit package includes required supplementary information specific to governmental entities, particularly the Management's Discussion and Analysis section, which provides a concise management-level overview of the financial statements. She emphasized that this section is the best place for readers to gain a high-level understanding of the corporation's financial condition and performance, complementing the detailed figures presented elsewhere in the statements.

She then described the second report, issued under Government Auditing Standards, often referred to as the GAS letter. This report would disclose any significant deficiencies or material weaknesses in internal controls or compliance related to financial reporting. She reported that no such issues were identified during the audit. She also explained that the federal compliance single audit report has not yet been issued due to delays in the federal government releasing the required compliance supplement, but once available, the auditors will complete that work and coordinate with management to provide the remaining reports.

**Chair Handeland moved to accept the financial statements of the ASLC for the year ending June 30, 2025. Member Wojtusik seconded the motion. By roll call vote, all members present voted aye. The motion carried.**

*Discussion: Chair Handeland asked questions about the ASLC's financial statements, specifically noting that approximately 65% of the Corporation's assets are now held in investments rather than loans. He was interested in how this balance has changed over time and whether there was historical context showing a shift between loan balances and investments.*

*Julie Pierce responded by explaining that she had prepared a ten-year historical schedule illustrating trends in loan and investment balances. She noted that fiscal year 2010 was a key turning point, as that was when the Corporation stopped originating federal FFEL loans. Since then, both the federal and state loan portfolios have steadily declined, despite continued state loan originations. Total loan balances decreased significantly from approximately \$717 million in 2010 to about \$97 million in 2025, while investment balances declined more modestly from \$184 million to \$148 million. Overall, this reflects a long-term migration from loans toward investments within the Corporation's asset mix.*



## ASLC

### Meeting Minutes of November 6, 2025

*Chair Handeland then asked whether this trend would continue absent statutory changes and whether the Corporation risked becoming more of an investment entity than a lending institution. Executive Officer Thomas acknowledged the concern and explained that loan repayments currently outpace new originations, particularly as the legacy federal loan portfolio continues to wind down. However, she emphasized ongoing strategic planning efforts focused on strengthening the loan program.*

*Executive Officer Thomas also added that the Corporation is actively working to reverse the trend by increasing outreach and marketing. A vacant position was reclassified to a marketing specialist role to better promote the state loan program, and approval has been received to recruit despite the hiring freeze. She noted that loan volume increased by roughly 10% in FY25, with a goal of another 10% increase in FY26. While statutory or regulatory changes could further support growth, management expects loan originations to continue increasing over the next one to three years even without legislative changes.*

### **DIVIDEND RECOMMENDATION – CHIEF FINANCE OFFICER JULIE PIERCE**

Julie Pierce, presented the dividend memorandum and explained that under Alaska statute, the Board may elect to declare a dividend for a base fiscal year in which the Corporation's net income equals or exceeds \$2 million.

For the fiscal year ended June 30, 2025, which is the base year for a potential FY27 dividend, the ASLC reported a change in net position of \$7.6 million. Based on statutory requirements, any dividend declared for FY27 must be no less than \$763,100 and no more than \$2,670,850.

However, she noted several considerations influencing Management's recommendation, including the Corporation's ongoing efforts to keep student loan interest rates as low as possible, the need to offset prior net losses in the ASLC Fund, the inherent volatility of long-term investment earnings, and the importance of maintaining a sustainable student loan program. In light of these factors, Management recommends that no dividend be declared for FY27, or alternatively, that the dividend be set at the statutory minimum of 10% of base year net income.

**Member Latham moved to accept management's recommendation that no ASLC dividend be declared for Fiscal Year 2027. Chair Handeland seconded the motion. By roll call vote, two members present voted aye, 1 member present voted nay. The motion carried.**

*Discussion: Member Latham made a motion to accept management's recommendation that no ASLC dividend be declared for fiscal year 2027. She requested that the motion be seconded for purposes of discussion prior to a vote. Chair Handeland seconded the motion for discussion.*

*Member Latham stated that her support for the recommendation was based on historical context and ASLC's ongoing interest in marketing and increasing the volume of loans originated. She expressed that following the Chief Finance Officer's recommendation and not declaring a dividend was in the best interest of ASLC at this time.*



## ASLC

### Meeting Minutes of November 6, 2025

*Chair Handeland shared his perspective, noting that ASLC has not declared a dividend for several years. He emphasized that the Corporation's recent change in net position has been driven largely by investment income rather than loan program revenues. He stated that, in his view, the legislature's inclusion of dividend authority reflects an intent for dividends to be considered when financially appropriate. He further noted that even at the maximum allowable dividend, ASLC would retain a significant portion of its net change in position, and that future reductions in net position would be appropriate if funds were instead allocated toward new or expanded loan programs. He concluded that, absent such programs currently in place, he favored declaring a dividend.*

*After discussion concluded and no additional comments were offered, Chair Handeland called for a roll call vote on the motion. Kordel Thompson proceeded with the roll call. Prior to voting, Member Wojtusik requested clarification regarding whether the motion needed to be restated following discussion. Chair Handeland clarified that the motion to accept management's recommendation of no dividend had been properly moved and seconded and was now ready for a vote. Member Wojtusik confirmed her understanding and indicated she was ready to proceed.*

### **BOARD MEMBER CLOSING COMMENTS**

No closing comments were made during this meeting.

### **ADJOURN**

Member Latham moved to adjourn the November 6, 2025 Corporation Meeting. Chair Handeland seconded the motion. By roll call vote, all members present voted aye. The motion carried.

The meeting adjourned at approximately 2:12pm.

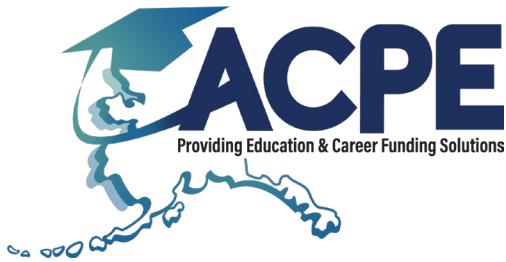
Approved by:

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Donald Handeland, Chair

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Date



## Alaska Commission on Postsecondary Education

P.O. Box 110505  
Juneau, Alaska 99811-0505

Toll Free: (800) 441-2962  
In Juneau: (907) 465-2962  
TTY: Dial 711 or (800) 770-8973  
Fax: (907) 465-5316  
acpe.alaska.gov

### MEMORANDUM

**TO:** Members, Alaska Commission on Postsecondary Education  
**FROM:** Kerry Thomas, Executive Director  
**DATE:** January 6, 2026  
**SUBJECT:** Executive Director Report

This quarter the Commission continued to focus on Administrative Order 360 related to regulatory reductions and addressed outstanding items related to the implementation of the Alaska Performance Scholarship (APS) program changes resulting from the passage of HB 148 in 2024. Additional analysis of the One Big Beautiful Bill Act occurred, prompting coordination with other state agencies and higher education institutions related to implementing the changes in the federal legislation.

#### **Legislative Session:**

Included in the FY27 operating budget released in December 2025 is funding for ACPE's operating activities, primarily funded by the Alaska Student Loan Corporation (ASLC), and funding for APS and the Alaska Education Grant (AEG), funded by the Higher Education Investment Fund (HEIF). The amounts for APS and AEG of \$20,307,800 and \$10,153,900, respectively, represent 100% of available funding from the HEIF as determined by the Department of Revenue and based on the 7% cap established in statute. Of note in the FY26 supplemental budget is the \$130 million recapitalization of the HEIF from the Constitutional Budget Reserve.

#### **Strategic Planning:**

In October and November, senior managers held virtual strategic planning sessions. The focus areas of these meetings were to review the annual marketing plan, evaluate progress toward meeting established goals, discuss active and upcoming projects, as well as review FY25 financial and audit results, investment income review, allowance for loan loss and State of Alaska dividend recommendations. The quarterly dashboard was updated to reflect the first quarter of FY26 data from July 1 through Sept 30, 2025. Dashboard updates include: New FY26 targets; new graphs for employee survey data to be completed next quarter.

#### **Alaska Student Loan Corporation Meeting:**

ASLC convened on November 6, 2025 and approved the FY25 audited financial statements and approved no dividend to the State of Alaska in FY27 based on FY25 results. The Corporation's next meeting is scheduled on February 5, 2026.

#### **Professional Organization Meetings/Presentations:**

Over the past quarter, I attended several meetings and presentations related to higher education and federal changes. A summary of those meetings follows:

- Weekly meetings with the Department of Education & Early Development Director's team
- Bi-weekly meetings with University of Alaska Vice Presidents Brian Smentkowski and Michelle Rizk
- Monthly meetings with Education Finance Council (EFC)
- Monthly meetings with the Alaska Performance Scholarship Cross Agency Workgroup
- Federal updates meetings, hosted by the State Higher Education Executive Officers Association (SHEEO)
- National Conference of State Legislatures (NCSL) Summit on the State-Federal Relationship in Higher Education - December 15-16, 2025 in Washington, DC

### **Human Resources Update:**

Staffing changes this quarter included a successful recruitment and promotion.

- Marie Bates, Executive Secretary, started on December 12, 2025.
- Gilda Gonzales, Accounting Technician 1, promoted to Accounting Technician 3 on December 3, 2025.

Recruitment efforts continue to be challenged by the statewide hiring freeze under Administrative Order 358, which requires agencies to obtain waivers from the Governor's Office before filling vacancies. This constraint is expected to continue influencing ACPE's staffing levels in the coming quarters.

ACPE currently has 39 filled positions, with 9 located in Anchorage and 30 in Juneau. The distribution of filled positions by division is as follows: Information Systems and Services (ISS) – 7 (2 in Anchorage and 5 in Juneau); Finance – 10 (8 full-time and 2 part-time); Program Operations – 12; Outreach – 7; and Executive Office – 3. There are 5 employees eligible to retire in calendar year 2026.

There are currently 12 vacant positions: ISS – 2, Finance – 4, Program Operations – 5, and Outreach – 1. ACPE's total number of Position Control Numbers (PCN) is 51, with 11 located in Anchorage and 40 in Juneau.

The average employee tenure is 12.74 years, and ACPE's employee retention rate for 2025 is 83.33%.

ACPE's workforce consists of 26 females (65.8%) and 13 males (34.2%), compared to the statewide workforce distribution of 7,185 females (48.4%) and 7,659 males (51.6%). The average age of ACPE employees is 46 years, slightly higher than the statewide average of 43.5 years. Racial and ethnic demographics for ACPE are 84.92% white and 15.38% minority employees, compared to the statewide composition of 72.1% white and 27.9% minorities. See the State of Alaska Workforce Profile FY25 for additional details.

### **Attachments:**

ACPE Key Performance Indicators Dashboard Q1 FY26  
2025 ACPE Loan Distribution Map

# Key Performance Indicator (KPI) DASHBOARD

## STRATEGIC PRIORITIES:

### Dashboard Key

Measurable Target

Current Status

**P1** Become the education lender of choice in Alaska and for Alaskans.  
**KPI 1, 2, 6, 7, 8**

**P2** Increase access to, and utilization of federal and state education funding sources.  
**KPI 1, 3, 4, 6, 7**

**P3** Operate a sustainable organization responsive to students, customers, stakeholders, and employees.  
**KPI 1, 9, 10, 11, 12, 13, 14**

**P4** Position ACPE to help bridge the gap in Alaska's current and future workforce needs.  
**KPI 5, 15, 16**

Strategic priorities are achieved by meeting the seven goals. Progress towards meeting each goal is measured by the KPIs.

\*Target values based on FY25 totals (data from 7/1/24 to 6/30/25, unless otherwise indicated). Current statuses reflect data from 7/1/25 to 9/30/25.

## GOAL #1: Offer loan program responsive to consumer and organization needs

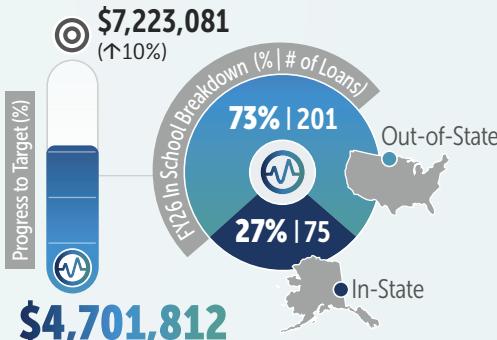
STRATEGIC PRIORITIES MET:

**P1** **P2** **P3**

### KPI-1 Loan volume:

In school (ASEL + FEL)

Target based on FY25 total: \$6,566,437



Refinance (REFI)

Target based on FY25 total: \$1,708,554 (27 loans)

17 Loans:

**\$1,078,833** 

## GOAL #2: Increase visibility, understanding and awareness of ACPE and its products, resources, partnerships, and programs

STRATEGIC PRIORITIES MET:

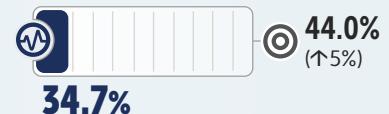
**P1** **P2** **P3** **P4**

### KPI-1 SEE GOAL #1

### KPI-2 Alaska loan market share:

Based on annual in school loan originations

Target based on FY25 total: 41.5% AYTD



### KPI-3 FAFSA completion trends:

Target based on FY25 total: 32,980

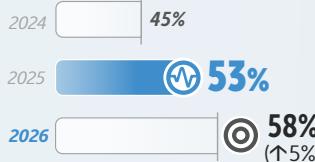


### KPI-4 SEE GOAL #7

## KPI-5 Trends in APS:

### APS eligibility

Target based on class of 2025: 53%  
 Progress updated annually



### APS use

Target based on FY25 total: 2,613



## GOAL #3: Enhance & refine financial planning resources for appropriate target audiences

STRATEGIC PRIORITIES MET:

**P1** **P2**

### KPI-6 Utilization of financial planning resources:

Constant Contact usage Target based on FY25 total: 227,581 Emails Sent



### KPI-7 Utilization of financial planning resources:

Open rate of content sent Target based on FY25 total: 58%. Current status re-sets quarterly.



CHANGE TOWARDS TARGET:  
 ↑  
 ↓  
 ←  
 →

2025-26 PROGRESS	DATE			
	9.30.25	12.31.25	3.31.26	6.30.26
Strategic Priority #1	—	—	—	—
Strategic Priority #2	—	—	—	—
Strategic Priority #3	—	—	—	—
Strategic Priority #4	NA	NA	NA	NA



# Key Performance Indicator (KPI) DASHBOARD

\*Target values based on FY25 totals (data from 7/1/24 to 6/30/25, unless otherwise indicated). Current statuses reflect data from 7/1/25 to 9/30/25.

## GOAL #4: Modernize and streamline the customer experience

STRATEGIC PRIORITIES MET:



### KPI-8 Trends in application funnel:

Incomplete applications



○ new info coming FY2026

Submitted applications



○ new info coming FY2026

Disbursed loans



○ new info coming FY2026

### KPI-9

Trends in customer satisfaction ratings:

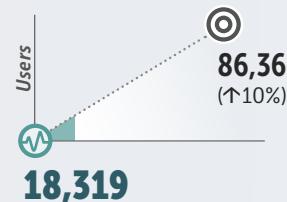


○ new info coming FY2026

### KPI-10 Trends in website engagement:

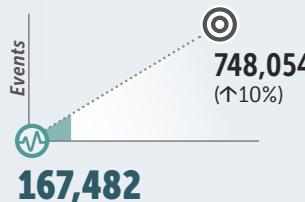
Number of users

Target values based on FY25 total: 78,516



Number of web events

Target values based on FY25 total: 680,049



## GOAL #5: Improve operational efficiency and financial sustainability of the organization

STRATEGIC PRIORITIES MET:



### KPI-1 KPI-1 SEE GOAL #1

### KPI-11 Non ASLC funding sources:

Target based on FY24 total, \$906,668. Progress updated annually.

FY24



\$928,294

FY25



\$906,668

FY26

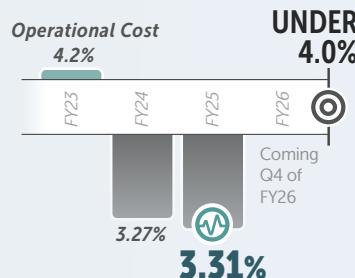


○ \$997,335

(↑10%)

### KPI-12 Operational cost as an established percentage of income generating assets:

Target value based on FY23 total: 4.2%. Progress updated annually



## GOAL #6: Foster an environment where employees thrive as the agency evolves

STRATEGIC PRIORITIES MET:



### KPI-13 Trends in employee satisfaction ratings:

FY25 data featured (Progress updated annually)



Engagement

Coming Q2 2026

Experience vs Expectations

Coming Q2 2026

Intent to Stay

Coming Q2 2026

Well-Being

Coming Q2 2026

Inclusion

Coming Q2 2026

## GOAL #7: Identify the current state of higher education programs and resources in Alaska

STRATEGIC PRIORITIES MET:



### KPI-14

Complete inventory:

○ new info coming FY2026



### KPI-15

Tangible commitments:

○ new info coming FY2026



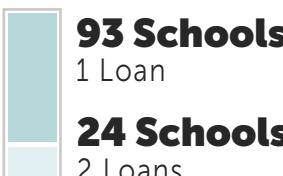
○ new info coming FY2026



Alaska Commission on Postsecondary Education

# 2025 ACPE Loan Distribution

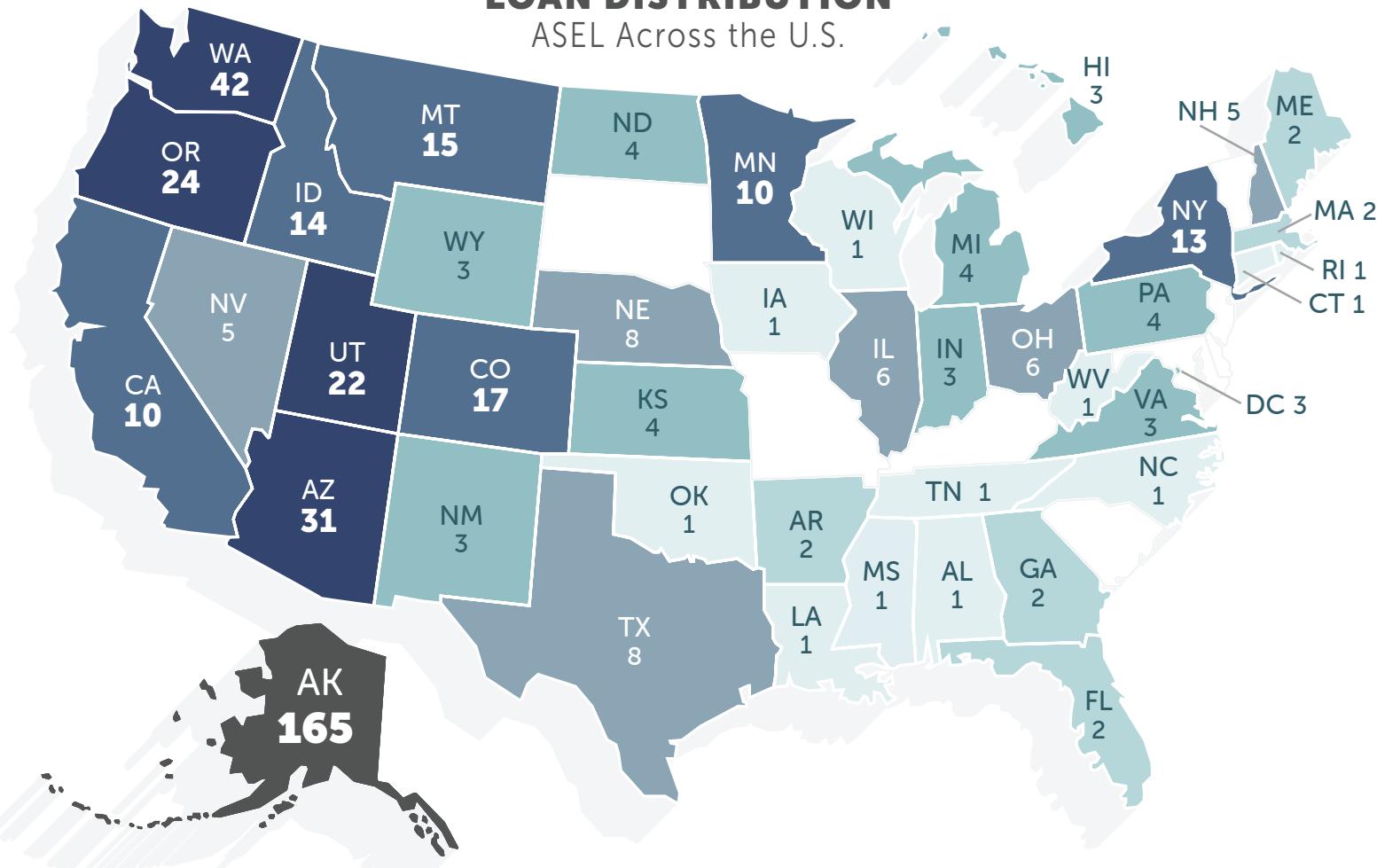
\*Total FY25 Loans = **456** Loans disbursed across 162 schools in 43 states (includes District of Columbia)



\$ Only 20 schools receiving ACPE loans had **FIVE OR MORE LOANS**

## LOAN DISTRIBUTION

ASEL Across the U.S.



**ALASKA STUDENT LOAN CORPORATION**  
(a Component Unit of the State of Alaska)

Expenditures of Federal Awards Reports

Year Ended June 30, 2025



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

The Board of Directors  
Alaska Student Loan Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the net position, statements of revenues, expenses and changes in net position and cash flows of Alaska Student Loan Corporation (the Corporation), a component unit of the State of Alaska, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 30, 2025.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

### *Report on Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### *Purpose of this Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Elgee Rehfeld*

September 30, 2025

December 3, 2025 (updated for completion of single audit)



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors  
Alaska Student Loan Corporation

**Report on Compliance for Each Major Federal Program**

*Opinion on the Major Federal Program*

We have audited Alaska Student Loan Corporation (the Corporation)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, excluding Federal Family Education Loans – Lender, Assistance Listing Number 84-032L: Special Tests and Provisions requirements, as described below, that could have a direct and material effect on the Corporation's major federal program for the year ended June 30, 2025. The Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

As permitted by U.S. Office of Management and Budget's 2025 Compliance Supplement for the Federal Family Education Loans – Lender, Assistance Listing Number 84-032L program, Other Information – Use of Third-Party Servicers section, we did not audit the Corporation's compliance with the following compliance requirements applicable to the Federal Family Education Loans – Lender, Assistance Listing Number 84-032L: Special Tests and Provisions. Third-party servicer Pennsylvania Higher Education Assistance Agency (PHEAA) performed these compliance requirements for the Corporation and has obtained an attestation examination performed under the Lender Servicer Financial Statement Audit and Compliance Attestation Guide (September 2020), issued by the U.S. Department of Education. PHEAA's attestation examination covered the period of July 1, 2023 through June 30, 2024, and they have entered into agreement for an attestation examination for the period of July 1, 2024 through June 30, 2025 to be performed under the Lender Servicer Financial Statement Audit and Compliance Attestation Guide (September 2020). Our report does not include the results of the other accountant's examination of the third-party servicer's compliance with such requirements.

In our opinion, the Corporation complied, in all material respects, with the compliance requirements referred to above and audited by us, that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

*Basis for Opinion on the Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit*

*Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Corporation's major federal program. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Corporation's federal program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit, excluding the Federal Family Education Loans – Lender, Assistance Listing Number 84-032L: Special Tests and Provisions requirements, as allowed in the Assistance Listing Number 84-032L program, Other Information – Use of Third-Party Servicers section. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance

with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### *Report on Internal Control Over Compliance*

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### *Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance*

We have audited the financial statements of the Corporation, a component unit of the State of Alaska, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements. We issued our report thereon, dated September 30, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic

financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Elgee Rehfeld*

December 3, 2025

**ALASKA STUDENT LOAN CORPORATION**  
 (A Component Unit of the State of Alaska)

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing Number (ALN)</u>	<u>Federal Expenditures</u>
U.S. Department of Education Direct Programs:		
Federal Family Education Loan Program		
Beginning loan balance (guaranteed)	84.032L	\$ 14,887,351
Special allowance	84.032L	142,087
Less: excess interest	84.032L	(17,819)
Federal interest benefits	84.032L	29,923
		<u><u>\$ 15,041,542</u></u>

See the accompanying notes to schedule of expenditures of federal awards.

**ALASKA STUDENT LOAN CORPORATION**  
 (A Component Unit of the State of Alaska)

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

**General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Alaska Student Loan Corporation (the Corporation).

Federal awards to the Corporation, received directly from federal agencies, as well as federal awards passed through other governmental agencies, if any, are included in the schedule. The Corporation did not pass through any federal awards to other entities. Federal awards for special allowances and interest benefits are presented in interest on loans in the Corporation's Statements of Revenue, Expenses and Changes in Net Position.

**Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The de minimis indirect cost rate allowed under the Uniform Guidance is not applicable to the federal award programs of the Corporation.

**Loan Programs**

The Corporation participates in the federally guaranteed Stafford (subsidized and unsubsidized), PLUS and Consolidation (subsidized and unsubsidized) loan programs. The following table provides loan guarantees outstanding at June 30, 2025, as well as claim payments received during the fiscal year ended June 30, 2025.

<u>Program Title</u>	<u>ALN</u>	<u>Guarantees Outstanding</u>	<u>Claim Payments</u>
Federal Family Education Loan Program (FFELP)	84.032L	\$ 12,863,826	\$ 894,574

**Reconciliation to the Financial Statements**

Federal Loan Balance per Financial Statements	\$ 12,866,479
Less – Loss of guarantee	<u>(2,653)</u>
Guarantees Outstanding	<u><b>\$ 12,863,826</b></u>

**Subrecipients**

The Corporation does not award any federal funds as sub-awards to other organizations.

**ALASKA STUDENT LOAN CORPORATION**  
 (A Component Unit of the State of Alaska)

**Schedule of Findings and Questioned Costs**

Year Ended June 30, 2025

**SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

***Federal Awards***

Internal control over major federal program:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditor's report issued on compliance for the major federal program:

Unmodified\*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major federal program:

Assistance	
Listing	
<u>Number</u>	<u>Name of Federal Program or Cluster</u>
84.032L	Federal Family Education Loan Program (FFELP) – Lenders

The dollar threshold used to distinguish between Type A and Type B programs is \$750,000.

Auditee qualified as a low-risk auditee?  Yes  No

\* For compliance requirements audited by us.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

No matters reported.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT**

No matters reported.

**ALASKA STUDENT LOAN CORPORATION**  
(A Component Unit of the State of Alaska)

**Summary Schedule of Prior Year Findings**

Year Ended June 30, 2025

**FINDINGS – FINANCIAL STATEMENT AUDIT**

No findings reported for the year ended June 30, 2024.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT**

No findings or questioned costs reported for the year ended June 30, 2024.



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Alaska Student Loan Corporation**

FINANCE OFFICE

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## Memorandum

To: Alaska Student Loan Corporation Board Members  
 Thru: Kerry Thomas, Executive Officer  
 From: Julie Pierce, Chief Finance Officer  
 Date: February 5, 2026  
 Re: Recommended Interest Rates for Loans Awarded and Specified Effective Dates

The Alaska Student Loan Corporation (the Corporation) sets the interest rate for loans it originates pursuant to the provisions set forth in AS 14.42.215 and 20 AAC 14.050. The interest rates set are fixed rates that, once set, remain in effect for the life of the loan. From time to time as it deems appropriate, but at least annually, the Corporation will set loan interest rates and the effective date for those interest rates. The interest rates apply to loans that the Corporation originates, consolidates, or refinances starting on the effective date.

Corporation regulations specify that the Corporation establish rates that:

- do not exceed the legal rate applicable in the state for such loans (10%);
- do not exceed the all-inclusive cost, expressed as a rate on fixed rate debt incurred to finance the loans plus a percentage representing operating and servicing costs;
- ensure loans made are of sufficient value to be financed or refinanced; and
- ensure the financial stability of the Corporation's loan programs.

**Cost Expressed as a Rate:** As outlined in prior years, loan principal repayments on the Corporation's outstanding student loan portfolio continues to exceed loan originations resulting in a decline in the total loan portfolio principal balance. Cost and loan loss reduction efforts have been made to reduce costs, net of investment income, to a level the loan portfolio can support at rates proposed to be competitive but financially sustainable. This is a long-term approach that sets rates at a level that is competitive in the market and is beneficial to student borrowers and the Corporation.

**Credit Risk:** As part of an overall focus on default management, Staff continues to review existing, and develop additional, strategies to reduce credit risk. The Corporation reduces credit risk by adopting risk-based lending practices such as setting loan rates based on FICO score tiers, requiring no adverse credit for in-school loans, providing reduced rate tiers for the immediate repayment loan option and rate reduction incentives for enrollment in auto-pay and for borrowers making payments while their loan is not in repayment status.

**Market Rates:**

The Alaska Commission on Postsecondary Education (ACPE) encourages students to first utilize the federal direct subsidized and unsubsidized Stafford loans before considering ACPE Alaska Supplemental Education Loans (ASEL). The federal unsubsidized and subsidized loan rates for program year 2025-2026 and 2024-2025 were 6.39% and 6.53%, respectively. Proposed ASEL rates are lower than the current federal rates as management is focused on setting rates as low as possible to increase awareness of the loan program balanced with rates set at a financially sustainable level.

The Corporation considers the Federal PLUS loan program to be a primary competitor, in addition to other private student loan originators. The interest rate on the PLUS program is reset each year based on the high yield of the 10-year Treasury notes auctioned at the final auction held before June 1 plus 4.60%. The maximum interest rate allowed for Direct PLUS Loans is 10.50%. The Direct PLUS loan rates for program year 2025-2026 and 2024-2025 were 8.94% and 9.08%, respectively (additionally, PLUS loans require a 4.23% origination fee that increases the APR of these loans). While the Federal Open Market Committee reduced the overnight fed funds rate by 25bp at their last three meetings for a total reduction of 75bp in 2025 to a range of 3.50% - 3.75%, there has not been a commensurate reduction in the 10-year Treasury. The 10-year Treasury yield has not dropped commensurate with the overnight (federal funds) rate primarily because the long-term yield is driven by market expectations for future inflation, economic growth, and the supply/demand of U.S. debt, not just the current short-term policy rate. Based on this, interest rates being proposed herein are based on the assumption that the PLUS rate for 2026-27 will be slightly lower than the current PLUS rate of 8.94%.

Staff also considers known rates offered by other private loan originators and their underwriting criteria.

### Proposed Rates

**Alaska Supplemental Education Loans (ASEL) rates proposed are as follows:**

<b>Program (max loan term)</b>	<b>Fixed Rate ASEL (10 years)</b>		
<b>Effective Date</b>	<b>July 1, 2026</b>		
<b>FICO<sup>1</sup> Range</b>	<b>640-679</b>	<b>680-719</b>	<b>720+</b>
<b>Underwriting Criteria</b>	No Adverse Credit	No Adverse Credit	No Adverse Credit
<b>Base Rate</b>	9.75%	6.00%	5.25%
<b>Interest Rate Reduction <sup>2</sup></b>	0.25%	0.25%	0.25%
<b>Lowest Rate</b>	9.50%	5.75%	5.00%

**Alaska Supplemental Education Loans (ASEL) rates WITH Immediate Repayment option proposed are as follows:**

<b>Program (max loan term)</b>	<b>Fixed Rate ASEL – Immediate Repay Option (10 years)</b>		
<b>Effective Date</b>	<b>July 1, 2026</b>		
<b>FICO<sup>3</sup> Range</b>	<b>640-679</b>	<b>680-719</b>	<b>720+</b>
<b>Underwriting Criteria</b>	No Adverse Credit	No Adverse Credit	No Adverse Credit
<b>Base Rate</b>	8.75%	5.50%	4.75%
<b>Interest Rate Reduction <sup>4</sup></b>	0.25%	0.25%	0.25%
<b>Lowest Rate</b>	8.50%	5.25%	4.50%

<sup>1</sup> Fair Isaac & Company score (FICO) is the score used to secure the loan and can be either the borrower's score or the cosigner's score. In the event both the borrower and the cosigner have qualifying scores, the highest score will be used to determine the loan rate.

<sup>2</sup> Rate reduction is available to borrowers in repayment, making recurring monthly payments and those not in repayment making at least a \$50 monthly recurring payment per loan.

<sup>3</sup> Fair Isaac & Company score (FICO) is the score used to secure the loan and can be either the borrower's score or the cosigner's score. In the event both the borrower and the cosigner have qualifying scores, the highest score will be used to determine the loan rate.

<sup>4</sup> Rate reduction is available to borrowers in repayment, making recurring monthly payments and those not in repayment making at least a \$50 monthly recurring payment per loan.

**Other loan program rates proposed are as follows:**

<b>Program (max loan term)</b>	<b>Variable Rate ASEL<sup>5</sup></b>	<b>Fixed Rate PSEP<sup>6</sup> (10 years)</b>	<b>Fixed Rate FEL (10 years)</b>
<b>Effective Date</b>	<b>July 1 – June 30</b>	<b>July 1, 2026</b>	<b>July 1, 2026</b>
<b>Underwriting Criteria</b>	No Adverse Credit	No Adverse Credit	No Adverse Credit
<b>Base Rate</b>	TBD TBD <sup>7</sup>	6.00%	6.00%
<b>Interest Rate Reduction</b>	0.25%	0.25%	0.25%
<b>Lowest Rate</b>	TBD TBD <sup>6</sup>	5.75%	5.75%

**The proposed rates differ from rates currently being offered as follows:**

**ASEL 640 – 679 FICO: Deferred and Immediate – 25 bp lower**

**ASEL 680 – 719 FICO: Deferred, Immediate repay, PSEP and FEL – 50bp  
lower**

**ASEL 720+ FICO: Deferred and Immediate repay – 50bp lower**

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<sup>5</sup> No longer originated but rate is reset annually for existing loans. Rate to be set in May 2026.

<sup>6</sup> Professional Student Exchange Program

<sup>7</sup> Applicable in-school interest rate.

**Refinance Rates proposed are as follows:**

Program (max loan term)	Fixed Rate REFI (5 years)			Fixed Rate REFI (10 years)			Fixed Rate REFI (15 years)		
<b>Effective Date</b>	<b>May 1, 2026, or as soon as administratively feasible</b>			<b>May 1, 2026, or as soon as administratively feasible</b>			<b>May 1, 2026, or as soon as administratively feasible</b>		
<b>FICO Range</b>	FICO 680-719	FICO 720-779	FICO 780+	FICO 680-719	FICO 720-779	FICO 780+	FICO 680-719	FICO 720-779	FICO 780+
<b>Base Rate</b>	6.85%	4.85%	4.60%	7.05%	4.95%	4.70%	7.25%	5.25%	5.00%

**Proposed REFI rates for all FICO and term tiers are 25bp lower than prior year.**

Alaska Education Loan Refinance Program (REFI) rates are historically lower than other Corporation loan program rates. REFI program term balance distribution is heavily weighted toward 15 years compared to the 5 year and 10 year terms as REFI loans typically carry a higher balance.

As previously outlined, considerations associated with proposed REFI rates are as follows:

- Projected interest rate environment over time, and competitor rates;
- Borrowers with higher FICO scores have demonstrably lower default rates;
- Borrowers enter repayment immediately and have very limited options to defer payments;
- Competitive rates retain premium borrowers who would otherwise refinance elsewhere; and
- Competitive rates build volume by allowing borrowers to refinance loans not originated by the Corporation.
- With board approval, REFI rates can be adjusted at any time.
- Auto-pay utilization is comparatively higher than other loan programs, reducing anticipated loan losses.

**Staff recommendation:** The fixed interest rates and underwriting criteria for the 2026-2027 academic year loans be set as shown in the tables above.

**Requested Motion:**

Move to adopt the proposed fixed interest rates and underwriting criteria for the 2026-2027 academic year loans.



THE STATE  
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GOVERNOR MIKE DUNLEAVY

## Alaska Student Loan Corporation

### EXECUTIVE OFFICE

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## MEMORANDUM

**TO:** Alaska Student Loan Corporation Members  
**THROUGH:** Kerry Thomas, Executive Officer  
**FROM:** Jackie Hall, Program Manager  
**DATE:** January 26, 2026  
**SUBJECT:** Recommendations for Annual and Aggregate Loan Limits

This memorandum contains staff recommendations for annual and aggregate loan limits beginning with the 2026/2027 program year. The recommendations are based on available data and align with the statutory and regulatory requirements for the Alaska Supplemental Education (ASEL) and Alaska Family Education Loan (FEL) Programs.

### Background

Alaska Statute 14.43.173 empowers the Alaska Student Loan Corporation (ASLC) to finance Alaska Supplemental Education and Alaska Family Education Loans up to a maximum amount determined by the Corporation for undergraduate, graduate, and career education programs.

In response to the current costs of education and students' supplemental funding needs, the Corporation raised the annual loan limit to \$24,000 for full-time enrollment and the aggregate loan limit to \$96,000, beginning with the 2023/2024 program year.

### Annual Review

To ensure that existing loan limits align with the current costs of attendance, staff conduct an annual review of in state and out-of-state tuition levels, student financial aid sources, and unmet needs. This review also considers the Alaska Commission on Postsecondary Education (ACPE) loan awards and student borrowing trends when considering changes to existing loan limits.

At the national level, passage of the One Big Beautiful Bill in 2025 established loan limits for federal graduate loan borrowers. Previously, these borrowers were allowed to borrow up to the full cost of tuition, fees and housing. Beginning in July 2026, graduate loan borrowers will now be capped at both annual (\$20,500) and lifetime levels (\$100,000). Though data is not yet available, it is anticipated that these caps will affect private loan originations in the future.

Within ACPE, staff review and recommendations are based on ACPE's loan awards and borrowing trends with data available through December 2025:

- **Changes in Cost of Attendance:** An aggregate review of the most recently available cost of attendance data for in-state schools show an increase of 9% from 2021 to 2024. Similarly, costs of attendance for out-of-state schools have increased 11% over the same period.
- **Annual Loan Awards and Trends:** ACPE awarded 251 loans for the 2026 program year, with 239 loans for full-time enrollment and twelve for half-time enrollment. Most of these loans were awarded for less than the annual maximum of \$24,000 for full-time or \$12,000 for half-time enrollment. Sixty-nine loans were awarded at the annual maximum, representing 27% of the loan volume to date, a decrease since the last program year.
- **Aggregate:** ACPE has disbursed loans to approximately 164,721 borrowers since the inception of our ASEL and FEL programs. Since increasing the aggregate loan maximum limit to \$96,000, only two borrowers have reached the aggregate loan maximum.

### **Recommendation**

Based on thorough research and data trends, ACPE recommends no changes to the existing annual and aggregate loan limits for the 2026/2027 program year. This recommendation continues to support ACPE's objective to help students meet their supplemental needs for funding. ACPE will continue to monitor and assess cost trends moving forward in particular, the affect that federal graduate loan caps have upon private loan originations beginning in July 2026.

### **Definitions**

Cost of attendance (COA) represents the average annual cost to attend a specific college, university, or training program including tuition and fees and on-campus room and board.

Unmet need is the gap between a student's total college costs, including tuition and non-tuition expenses, and the funds available through grant aid and family resources.

**Motion:** Move approval to maintain the existing annual and aggregate loan limits for the Alaska Supplemental Education Loan Program and Alaska Family Education Loan Program as outlined in this memorandum.



THE STATE  
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## Alaska Student Loan Corporation

### EXECUTIVE OFFICE

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## MEMORANDUM

**TO:** Alaska Student Loan Corporation Members  
**THROUGH:** Kerry Thomas, Executive Officer  
**FROM:** Jackie Hall, Program Manager  
**DATE:** January, 2026  
**SUBJECT:** Alaska Education Refinance Loan – Risk Mitigation

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As part of an overall focus on default management, ACPE has developed a risk management framework to assess, monitor, and mitigate the risk of potential loan defaults. Current risk mitigation efforts for ACPE's Alaska Education Loan Refinancing (REFI) program include risk-based pricing, by which ACPE assesses the borrower's repayment capacity based on credit profile characteristics.

The Alaska Education Refinance Loan has a two-tier risk-based pricing structure that includes a maximum borrowing limit of \$250,000. Refinance loans up to \$125,000 are approved based on the established FICO requirements. Refinance loans over \$125,000, up to a maximum of \$250,000, are approved based on established FICO requirements and a debt-to-income (DTI) ratio of 45% or less, which aligns with industry standards. The DTI requirement is based in part on the applicant's self-certification of employment status, income, housing status (e.g., own or rent), and monthly housing payment.

Additionally, ACPE mitigates risk through early intervention strategies, including delinquency monitoring and proactive outreach, to help borrowers meet their loan repayment obligations. These efforts include the following.

- A welcome letter and introductory telephone call to new borrowers, during which staff explain the repayment process, highlight the benefits of automatic payments, and address any questions.
- Target email communications to delinquent borrowers that outline available repayment assistance and recommended next steps.
- For borrowers experiencing more serious delinquency, enhanced outreach that includes additional outbound telephone calls to provide personalized assistance and guidance.

### Annual Review

To ensure that existing refinancing limits and risk mitigation efforts meet the established goals, staff assess the alignment of risk-based pricing and other risk mitigation efforts, using delinquency and default trends.

In 2025, ACPE awarded 24 Alaska Education Refinancing Loans under the existing risk-based pricing structure. All 24 loans are current, with no delinquencies or defaults on the established repayment schedule. Of these, four loans exceeded \$125,000 and were therefore subject to DTI requirements.

The following outlines the default trends of the refinancing portfolio for the past five years.

Date	12/2025	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Current Balance	\$17,516,162	\$18,039,760	\$19,037,418	\$17,840,337	\$17,045,845	\$17,610,051
Default Balance	\$424,149	\$394,622	\$252,482	\$188,722	\$24,762	\$24,762
Percent of Balance	2.4%	2.2%	1.3%	1.1%	0.1%	0.1%

ACPE will continue to monitor borrower accounts and proactively deploy default mitigation strategies to ensure new and existing refinance borrowers are educated about available repayment options and automated payment methods to meet their repayment obligations.



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## MEMORANDUM

**TO:** Members, Alaska Student Loan Corporation  
**THROUGH:** Kerry Thomas, Executive Officer  
**FROM:** Jackie Hall, Program Manager  
**DATE:** January 16, 2026  
**SUBJECT:** 2026 Annual Regulatory Plan

As required under Administrative Order 360, Alaska's Regulatory Reform Initiative, the Alaska Student Loan Corporation (ASLC) must reduce its regulatory requirements by 15% by December 31, 2026, and 25% by December 31, 2027. Further, the initiative requires the creation of a State Unified Regulatory Plan, which shall be published annually. Each agency must develop and submit an annual regulatory reform plan that includes a list of planned regulatory actions for the following fiscal year.

ASLC proposes its annual regulatory action plan for 2026, which includes changes to Title 20, Chapter 14 of the Alaska Administrative Code regarding the Alaska Student Loan Corporation.

ASLC's regulatory plan includes the following components:

1. Establishment of a baseline inventory of discretionary regulatory requirements.
2. A summary of the stakeholders and public engagement process.
3. A summary of proposed regulatory reductions identified through a comprehensive review.
4. Establishment of a timeline for submitting draft revisions to the Department of Law for preliminary review.

### Regulatory Baseline and Proposed Reductions

ASLC solicited stakeholder and public feedback on potential regulatory changes to Title 20, Chapter 14, to gather ideas, suggestions, and input before proposing any specific amendments. ASLC held a public meeting on October 22, 2025, and solicited written comments through various channels on any regulations the Corporation should prioritize for reform. During the public engagement period, ASLC had no public participation or any public comment submissions.

The Corporation's regulatory baseline for discretionary requirements under Chapter 14 is 126, a relatively small framework. After a comprehensive review, the Corporation proposes a regulatory reduction that will eliminate one discretionary requirement. Any further regulatory reductions would remove provisions essential to maintaining regulatory accuracy and effectiveness, thereby undermining the objectives of the current framework and limiting the Corporation's ability to fulfill its responsibilities.

To further reduce the burden on constituents, ASLC expanded its review to include consolidating public-facing resources, which are referenced as "guidance documents" under Administrative Order 360. ASLC plans to consolidate one of its key resources, reducing the total word count from 380 to 242. While these actions reduce administrative burden and improve clarity for the public, guidance documents are not regulatory requirements and do not carry a quantifiable baseline. As a result, reductions to guidance documents cannot be measured or incorporated into a percentage-based calculation of regulatory reductions under Administrative Order 360.

ASLC effectively manages regulations to ensure accuracy and avoid unnecessary burdens on the public. While the Corporation's overall reductions are below the 25% requirement, ASLC's actions represent meaningful progress and contribute to the broader, collective objective of continuous improvement, demonstrating the agency's commitment to supporting the overall goals of Administrative Order 360.

Despite these efforts, the Corporation is unable to meet the 25% reduction requirements under Administrative Order 360 and, therefore, has requested a waiver of the additional regulatory reduction requirements from the Office of the Governor.

In compliance with Administrative Order 360, the Corporation will commence a regulatory project under the Administrative Procedures Act beginning March 1, 2026. Once approved by the Department of Law, regulatory revisions will be presented to the board for approval to move to public comment at the May 26, 2026 meeting.

**Motion:** Move to approve ASLC's 2026 regulatory plan to reduce regulatory requirements under Title 20, Chapter 14, in compliance with Administrative Order 360.



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## **Alaska's Regulatory Reform Initiative**

### ALASKA STUDENT LOAN CORPORATION ANNUAL REGULATORY REDUCTION PLAN

**JANUARY 1, 2026**

Amendment No. 1: February 3, 2026

#### **Agency Regulatory Liaison**

Jackie Hall  
Program Manager  
Alaska Commission on Postsecondary Education

## TABLE OF CONTENTS

Administrative Regulations.....	3
Background .....	3
Objectives.....	4
Regulatory Baseline .....	4
Stakeholder and Public Engagement .....	5
Summary of Recommendations .....	5
Regulatory Reduction Plan .....	5
Proposed Regulations for Reform .....	5
Regulatory Timeline .....	5
2026 Regulatory Project .....	6
Board Approval .....	6

## ADMINISTRATIVE REGULATIONS

Administrative Order 360, Alaska's Regulatory Reform Initiative, aims to improve the quality, transparency, and efficiency of the state's regulatory environment. The initiative mandates a statewide review of existing administrative regulations to reduce regulatory burdens by 15 percent by the end of 2026 and 25 percent by the end of 2027.

The Alaska Student Loan Corporation (ASLC) staff conducted a comprehensive review of its regulations to identify outdated, duplicative, or overly prescriptive provisions. As of the date of this report, the Alaska Student Loan Corporation and the Alaska Commission on Postsecondary Education (ACPE) staff reviewed approximately 212 active regulations across six chapters (20 AAC 14-19). These provisions include 1,388 requirements by which staff identified nearly 200 requirements for reduction in 2026.

Public input and stakeholder engagement was essential to this process. The agency solicited feedback through public meetings and written comments to ensure the reforms balance regulatory efficiency with the needs of students, families, postsecondary institutions, and other stakeholders.

ASLC's proposed regulatory actions clarify regulatory language and remove obsolete provisions. These efforts will deliver a two percent reduction in regulatory requirements by December 2026. Additionally, guidance documents will be consolidated to reduce the burden on constituents further and move closer to the reduction target. Collectively, these changes will have a positive impact on stakeholders.

The staff's work and the substantial reductions identified represent meaningful, positive change to the regulatory framework. These efforts reduce unnecessary burden while preserving regulatory clarity, accuracy, and program integrity.

The remaining regulations in Title 20, Chapter 14 are necessary to fulfill statutory responsibilities and ensure appropriate oversight. As a result, ASLC staff are requesting a waiver of the additional reduction requirements under Administrative Order 360 (AO360).

### AMENDMENT NOTICE

The Administrative Regulations section on page three, and the closing statement on page six was revised by amendment No. 1 (February 3, 2026) to reflect additional details on ASLC and ACPE's collective work and substantial regulatory reductions across Title 20, Chapters 14-19. The amendment also documents ASLC's request for waiver of the additional reduction requirements under AO360.

### BACKGROUND

Administrative Order 360 is Alaska's Regulatory Reform Initiative, issued by Governor Dunleavy on August 4, 2025. The initiative was established to improve the quality, transparency, and efficiency of the State's regulatory environment by reducing administrative and economic burdens on Alaskans, investors, and agencies, and to encourage business and economic growth in Alaska.

Under this initiative, agencies are directed to review their regulations systematically and implement reforms that achieve a 15 percent reduction in regulatory requirements by December 31, 2026, and 25% by 2027 (cumulative). Annual reporting is required to track progress, document actions taken, and provide transparency on the agency's efforts to align regulations with current practices, statutory intent, and public needs.

## OBJECTIVES

1. Reduce regulatory burdens
2. Engage stakeholders
3. Increase transparency
4. Establish ongoing regulatory planning and reporting
5. Achieve measurable reduction targets

## REGULATORY BASELINE

The Alaska Student Loan Corporation (ASLC) was created in 1987 under the laws of the State of Alaska and codified at Alaska Statutes 14.42.100 through 14.42.990, as amended (Act). ASLC is a public corporation and government instrumentality within the Department of Education and Early Development with a legal existence independent of and separate from the State of Alaska. Its primary purpose is to finance state education loans. A combination of proceeds from bond issuances and loan repayment funds its education loan programs. ASLC is governed by a Board of Directors, appointed by the Governor. The supervision of the administration of ASLC activities is delegated to the Executive Officer, who is also the Executive Director of the Alaska Commission on Postsecondary Education. The board's primary responsibilities are to: Authorize and oversee investments, fund the State of Alaska's education loan programs, set investment policies, loan fees, interest rates, and program benefits.

ASLC's administrative regulations are in Title 20 of the Alaska Administrative Code under Miscellaneous Boards and Commissions.

- **Chapter 14:** Establishes the framework for the Alaska Student Loan Corporation, including how it operates, issues bonds, manages loans, and carries out its statutory duties under state law.
  - 20 AAC 14.010 – 14.055 – Article 1. Bond Issues, Selection of Underwriters, Interest Rates, and Late Fees
  - 20 AAC 14.200 – 14.240 – Article 2. Alaska Education Loan Refinancing Program
  - 20 AAC 14.900 – Article 3. General Provisions

ASLC's regulatory baseline of discretionary requirements under Chapter 14 is 126. If approved, the proposed regulatory reductions would eliminate one discretionary requirement. To further reduce the burden on constituents, ASLC plans to consolidate one guidance document into a single-page resource, reducing the total word count from 380 to 242.

Chapter 14. Alaska Student Loan Corporation.	Baseline	Reductions
○ Article 1. 20 AAC 14.010 – 14.055	71	00
○ Article 2. 20 AAC 14.200 – 14.240	35	01
○ Article 3. 20 AAC 14.900	<u>20</u>	00
<b>Total</b>	<b>126</b>	<b>01</b>

ASLC effectively manages regulations to ensure accuracy and avoid unnecessary burdens on the public. While the Corporation's overall reductions are below the 25% requirement, ASLC's actions represent meaningful progress and contribute to the broader, collective objective of continuous improvement, demonstrating the agency's commitment to supporting the overall AO 360 goals.

## STAKEHOLDER AND PUBLIC ENGAGEMENT

ASLC solicited public feedback on potential regulatory changes to Title 20, Chapter 14, to gather ideas and input before proposing specific amendments or repeals.

ASLC held a public meeting on October 22, 2025, during which staff provided a high-level overview of the regulations under Title 20 and invited participants to offer oral testimony on which regulations should be prioritized for reform.

In addition to the public meeting, ASLC accepted written comments through multiple channels, including direct email, the Alaska Online Public Notice System, and an online survey.

### SUMMARY OF RECOMMENDATIONS

The following timeline summarizes the public engagement process.

Chapter	Meeting Date	Comment Period	Public Recommendations	Channel	Action	Justification
Chapter 14. Alaska Student Loan Corporation	10/22/25	10/22/25 through 11/21/25	No comments received from the public	N/A	N/A	Although no public comments were received, ASLC will review Chapter 14 to identify opportunities for streamlining.

## REGULATORY REDUCTION PLAN

ASLC's regulatory reduction plan establishes the agency's baseline of discretionary regulatory requirements. It further summarizes the proposed reductions identified through the agency's comprehensive review process and establishes a timeline for submitting draft regulatory revisions to the Department of Law for preliminary review.

### PROPOSED REGULATIONS FOR REFORM

ASLC's regulatory baseline of discretionary requirements under Chapter 14 is 126. The following regulation is scheduled for reform in 2026. The proposed change is based on out-of-date regulations and sections that can be streamlined.

Regulation	High-Level Summary	Action
20 AAC 14.230. Conditions and limitations of loans. Section (c).	This section of the regulation requires refinancing loan applicants seeking more than \$50,000 to have earned the credential tied to the original loan.	Repeal

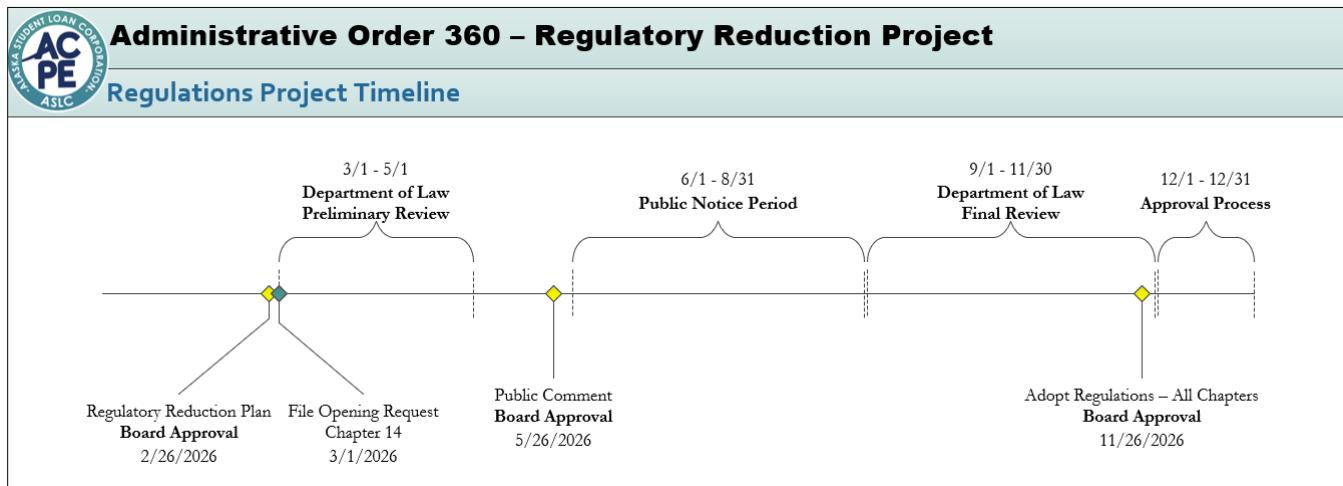
## REGULATORY TIMELINE

ASLC proposes the following timeline<sup>1</sup> for submitting draft regulatory revisions for preliminary review. It outlines key milestones, anticipated submission dates, and the process for coordination with the Department of Law to ensure timely and orderly review of proposed regulatory changes.

ASLC will not be requesting drafting assistance from the Department of Law; staff will draft all revised regulations for submission.

## 2026 REGULATORY PROJECT

Chapter 14 Revisions – March 1, 2026



In closing, this report documents the actions taken and timelines established in response to Administrative Order 360. ASLC has not requested or been granted an extension of time for any regulatory reform deadline.

While the Corporation recognizes the importance of reducing administrative burden, ASLC effectively manages regulations to ensure accuracy and avoid unnecessary burdens on the public. A 25% reduction is not feasible, as further cuts could eliminate provisions that support regulatory accuracy and effectiveness. Doing so would undermine the goals of the current framework and prevent ASLC from fulfilling its responsibilities.

The regulatory reduction plans for ASLC and ACPE will require substantial staff time this year to move four regulatory projects through the administrative rulemaking process under the Alaska Administrative Procedures Act. Moving these plans forward is the most effective use of staff time, and the results will deliver the most benefit to stakeholders. Therefore, ASLC has requested a waiver of the additional regulatory reduction requirements under AO360.

## BOARD APPROVAL

ASLC's proposed regulatory reform plan will be presented to the Corporation Board for approval during its February 5, 2026, Corporation meeting. Certification of the Corporation's action will be submitted under separate cover.

<sup>1</sup> The proposed timeline is preliminary and may be adjusted as the project progresses.

## ASLC FUTURE MEETING SCHEDULE

Spring 2026 Meeting	May 7, 2026
Fall 2026 Meeting	
Winter 2027 Meeting	