

# State gets tough on loan default

**Associated Press**

Juneau — Private collection agencies have more "tenacity" and, subject to legislative approval, will be hired to go after money owed the state by a record number of Alaskans defaulting on their student loans, an official said Monday.

Kerry Romesburg, executive director of the Postsecondary Education Commission, said the default rate was 11.4 percent at the end of September and may climb as high as 13 percent by next summer. To be classified in default, borrowers must be 120 days behind in their payments.

"Because of the growing percentage of people who default — and the size of the debts they're running up — we've decided to get tough with collections," Romesburg said.

"Since we don't have enough in-house staff to get the job done, we plan to ask the legislature for permission to go to outside agencies.

"That would be an alternative to adding staff," he said. "I think there would be more tenacity involved by doing outside collecting."

The state has decided to seek bids from private collection agencies and may do so before the end of the month, Romesburg said.