

1-1 By: Shapleigh S.B. No. 627  
1-2 (In the Senate - Filed February 20, 2003; February 27, 2003,  
1-3 read first time and referred to Committee on State Affairs;  
1-4 May 20, 2003, reported favorably by the following vote: Yeas 6,  
1-5 Nays 0; May 20, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to financial literacy programs for consumers.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Title 5, Finance Code, is amended by adding  
1-11 Chapter 397 to read as follows:

1-12 CHAPTER 397. CONSUMER EDUCATION PROGRAMS

1-13 SUBCHAPTER A. FINANCIAL LITERACY EDUCATION PROGRAM

1-14 Sec. 397.001. DEFINITION. In this subchapter, "institution  
1-15 of higher education" means a public institution of higher education  
1-16 as defined by Section 61.003, Education Code, or a private college  
1-17 or university that issues degrees in this state and is accredited by  
1-18 a recognized accrediting agency as defined by Section 61.003,  
1-19 Education Code.

1-20 Sec. 397.002. DUTY OF CERTAIN AGENCIES TO CREATE A  
1-21 FINANCIAL LITERACY EDUCATION PROGRAM. The Office of Consumer  
1-22 Credit Commissioner, the State Securities Board, and the Texas  
1-23 Education Agency shall collaborate to develop a financial literacy  
1-24 education program for adults and children. The agencies shall  
1-25 develop materials for the use of students at appropriate grade  
1-26 levels and for the public.

1-27 Sec. 397.003. CONTENT OF THE FINANCIAL LITERACY EDUCATION  
1-28 PROGRAM. The financial literacy education program must focus on  
1-29 teaching adults and children to make informed financial decisions.  
1-30 The agencies developing the program shall develop educational  
1-31 material addressing consumers' financial issues, including:

1-32 (1) how to eliminate credit card debt;

1-33 (2) how to manage money to make the transition from  
1-34 renting a home to home ownership;

1-35 (3) how to start a small business;

1-36 (4) how to be a prudent investor and begin a savings  
1-37 program;

1-38 (5) information about bankruptcy;

1-39 (6) information about the types of bank accounts  
1-40 available to consumers and the benefits of maintaining a bank  
1-41 account; and

1-42 (7) information about the types of loans available to  
1-43 consumers and how to become a low-risk borrower.

1-44 Sec. 397.004. DUTY TO CREATE FINANCIAL LITERACY MATERIAL  
1-45 RELATED TO FINANCIAL AID FOR HIGHER EDUCATION. The agencies  
1-46 developing the financial literacy education program and the Texas  
1-47 Higher Education Coordinating Board shall collaborate to develop  
1-48 financial literacy material concerning financial aid for higher  
1-49 education and provide these materials to financial aid officers at  
1-50 institutions of higher education. Financial aid officers at public  
1-51 institutions of higher education shall use these materials to  
1-52 educate students about financial aid options and debt management.

1-53 Sec. 397.005. AVAILABILITY OF FINANCIAL LITERACY MATERIALS  
1-54 ON THE INTERNET. The agencies developing the financial literacy  
1-55 education program shall work with the Department of Information  
1-56 Resources to make the financial literacy materials created under  
1-57 this chapter available on the Internet through the TexasOnline  
1-58 government portal or any successor to that portal.

1-59 Sec. 397.006. FUNDING FOR FINANCIAL LITERACY EDUCATION  
1-60 PROGRAMS. The agencies developing the program shall fund the  
1-61 financial literacy education program through collaborations with  
1-62 and sponsorship by businesses and through federal programs, private  
1-63 or public grants, or other sources.

1-64 SECTION 2. Not later than December 1, 2005, the Office of

2-1 Consumer Credit Commissioner, the State Securities Board, and the  
2-2 Texas Education Agency jointly shall submit a written report to the  
2-3 legislature on the results of the financial literacy education  
2-4 program and presenting the agencies' recommendations for promoting  
2-5 adult financial literacy in the state.

2-6 SECTION 3. This Act takes effect September 1, 2003.

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