

By: Zaffirini

S.B. No. 1496

A BILL TO BE ENTITLED

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AN ACT

relating to the partial forgiveness of Texas B-On-time loans for certain graduates of four-year public and private institutions of higher education.

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

SECTION 1. Section 56.462, Education Code, is amended to read as follows:

Sec. 56.462. LOAN FORGIVENESS. (a) A student who receives a Texas B-On-time loan shall be forgiven the amount of the student's loan if the student is awarded an undergraduate certificate or degree at an eligible institution with a cumulative grade point average of at least 3.0 on a four-point scale or the equivalent:

(1) within:

(A) four calendar years after the date the student initially enrolled in the institution or another eligible institution if:

(i) the institution is a four-year institution; and

(ii) the student is awarded a degree other than a degree in engineering, architecture, or any other program determined by the coordinating board to require more than four years to complete;

(B) five calendar years after the date the student initially enrolled in the institution or another eligible

1 institution if:

2 (i) the institution is a four-year  
3 institution; and

4 (ii) the student is awarded a degree in  
5 engineering, architecture, or any other program determined by the  
6 coordinating board to require more than four years to complete; or

7 (C) two years after the date the student  
8 initially enrolled in the institution or another eligible  
9 institution if the institution is a public junior college or public  
10 technical institute; or

11 (2) with a total number of semester credit hours,  
12 including transfer credit hours and excluding hours earned  
13 exclusively by examination, hours earned for a course for which the  
14 student received credit toward the student's high school academic  
15 requirements, and hours earned for developmental coursework that an  
16 institution of higher education required the student to take under  
17 Section 51.3062 or under the former provisions of Section 51.306,  
18 that is not more than six hours more than the minimum number of  
19 semester credit hours required to complete the certificate or  
20 degree.

21 (b) A student who receives a Texas B-On-time loan and does  
22 not qualify for loan forgiveness under Subsection (a) shall be  
23 forgiven 50 percent of the amount of the student's loan if the  
24 student is awarded an undergraduate degree at an eligible four-year  
25 institution or eligible institution that offers only junior-level  
26 and senior-level undergraduate courses with a cumulative grade  
27 point average of at least 2.5 on a four-point scale or the

1 equivalent within five calendar years after the date the student  
2 initially enrolled in the institution or another eligible  
3 institution.

4 SECTION 2. Subsection (b), Section 56.462, Education Code,  
5 as added by this Act, applies only to a student who is awarded an  
6 undergraduate degree on or after the effective date of this Act,  
7 without regard to when the student is awarded a Texas B-On-time  
8 loan.

9 SECTION 3. This Act takes effect immediately if it receives  
10 a vote of two-thirds of all the members elected to each house, as  
11 provided by Section 39, Article III, Texas Constitution. If this  
12 Act does not receive the vote necessary for immediate effect, this  
13 Act takes effect September 1, 2007.