

By: Shapleigh

S.B. No. 194

A BILL TO BE ENTITLED

AN ACT

relating to a prohibition against certain activities by a person employed in the financial aid office of a public institution of higher education.

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

SECTION 1. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.9645 to read as follows:

Sec. 51.9645. PROHIBITION AGAINST CERTAIN ACTIVITIES BY FINANCIAL AID EMPLOYEES. (a) In this section:

(1) "Institution of higher education" has the meaning assigned by Section 61.003.

(2) "Student loan" means a loan for which the loan agreement requires that all or part of the loan proceeds be used to assist a person in attending an institution of higher education or other postsecondary institution.

(3) "Student loan lender" means a person whose primary business is:

(A) making, brokering, arranging, or accepting applications for student loans; or

(B) a combination of activities described by Paragraph (A).

(b) A person employed by an institution of higher education in the financial aid office of the institution may not:

(1) own stock or hold another ownership interest in a

1 student loan lender, other than through ownership of shares in a  
2 publicly traded mutual fund or similar investment vehicle in which  
3 the person does not exercise any discretion regarding the  
4 investment of the assets of the fund or other investment vehicle; or  
5 (2) solicit or accept any gift from a student loan  
6 lender.

7 (c) A person who violates this section is subject to  
8 dismissal or other appropriate disciplinary action.

9 SECTION 2. 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, 2009.