

1-1 By: Shapleigh S.B. No. 194
1-2 (In the Senate - Filed November 10, 2008; February 10, 2009,
1-3 read first time and referred to Committee on Higher Education;
1-4 March 23, 2009, reported favorably by the following vote: Yeas 5,
1-5 Nays 0; March 23, 2009, sent to printer.)

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

1-8 relating to a prohibition against certain activities by a person
1-9 employed in the financial aid office of a public institution of
1-10 higher education.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subchapter Z, Chapter 51, Education Code, is
1-13 amended by adding Section 51.9645 to read as follows:

1-14 Sec. 51.9645. PROHIBITION AGAINST CERTAIN ACTIVITIES BY
1-15 FINANCIAL AID EMPLOYEES. (a) In this section:

1-16 (1) "Institution of higher education" has the meaning
1-17 assigned by Section 61.003.

1-18 (2) "Student loan" means a loan for which the loan
1-19 agreement requires that all or part of the loan proceeds be used to
1-20 assist a person in attending an institution of higher education or
1-21 other postsecondary institution.

1-22 (3) "Student loan lender" means a person whose primary
1-23 business is:

1-24 (A) making, brokering, arranging, or accepting
1-25 applications for student loans; or

1-26 (B) a combination of activities described by
1-27 Paragraph (A).

1-28 (b) A person employed by an institution of higher education
1-29 in the financial aid office of the institution may not:

1-30 (1) own stock or hold another ownership interest in a
1-31 student loan lender, other than through ownership of shares in a
1-32 publicly traded mutual fund or similar investment vehicle in which
1-33 the person does not exercise any discretion regarding the
1-34 investment of the assets of the fund or other investment vehicle; or

1-35 (2) solicit or accept any gift from a student loan
1-36 lender.

1-37 (c) A person who violates this section is subject to
1-38 dismissal or other appropriate disciplinary action.

1-39 SECTION 2. This Act takes effect immediately if it receives
1-40 a vote of two-thirds of all the members elected to each house, as
1-41 provided by Section 39, Article III, Texas Constitution. If this
1-42 Act does not receive the vote necessary for immediate effect, this
1-43 Act takes effect September 1, 2009.

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