

By: Gonzalez

H.B. No. 2565

A BILL TO BE ENTITLED

AN ACT

relating to requiring a public institution of higher education to establish and provide notice regarding an emergency loan program.

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

SECTION 1. Section 56.051, Education Code, is amended to read as follows:

Sec. 56.051. EMERGENCY LOANS. Each institution of higher education shall [~~may~~] establish an emergency loan program under which students are loaned money to pay tuition, fees, costs of on-campus housing, and the costs of textbooks.

SECTION 2. Section 56.053(a), Education Code, is amended to read as follows:

(a) The governing board of each institution shall adopt rules providing for the terms of the loan, subject to the following:

(1) the loan must be repaid over a period not to exceed 180 [~~90~~] days for a loan made for a regular semester or long summer session or over a proportionately shorter period for loans made for a six-week summer session;

(2) the loan must be evidenced by a written or electronic agreement providing for one of the following:

(A) interest on the loan at a rate of not more than five percent per year; or

(B) an origination fee of not more than 1.25 percent of the amount of the loan; and

1 (3) the loan amount per student may not exceed an
2 amount equal to the tuition and mandatory fees for the courses in
3 which the student is actually enrolling.

4 SECTION 3. Subchapter D, Chapter 56, Education Code, is
5 amended by adding Section 56.056 to read as follows:

6 Sec. 56.056. NOTICE OF AVAILABILITY OF EMERGENCY LOAN. (a)
7 Each institution of higher education shall provide notice of the
8 emergency loan program to each student in a prominently printed
9 statement that appears on or is included with the student's tuition
10 bill or billing statement for the payment of the student's tuition.

11 (b) If for any semester or other academic term the
12 institution does not provide the student with a printed tuition
13 bill or tuition billing statement, the institution shall include
14 the notice required by Subsection (a) for that semester or other
15 term in a statement prominently displayed in an e-mail sent to the
16 student. The notice may be included in any other e-mail sent to the
17 student in connection with the student's tuition charges for that
18 semester or other term.

19 (c) The Texas Higher Education Coordinating Board by rule
20 shall prescribe minimum standards for the manner, form, and content
21 of the notice required by this section.

22 SECTION 4. (a) The changes in law made by this Act apply
23 beginning with the emergency loan program for the 2012 spring
24 semester.

25 (b) Not later than September 1, 2011, the Texas Higher
26 Education Coordinating Board shall adopt the rules required by
27 Section 56.056, Education Code, as added by this Act.

1 SECTION 5. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2011.