

AN ACT

relating to clarification of the authorized uses for loans under public institution of higher education emergency loan programs.

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

SECTION 1. The heading to Subchapter D, Chapter 56, Education Code, is amended to read as follows:

SUBCHAPTER D. EMERGENCY TUITION, FEE, AND TEXTBOOK [~~FEES~~] LOANS

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 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

(3) the loan amount per student may not exceed an amount equal to the tuition, [and] mandatory fees, and cost of textbooks for the courses in which the student is actually

1 enrolling.

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

H.B. No. 3578

President of the Senate

Speaker of the House

I certify that H.B. No. 3578 was passed by the House on May 13, 2011, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3578 was passed by the Senate on May 24, 2011, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor