

By: Gonzales of Williamson

H.B. No. 3578

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

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

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

12 (1) the loan must be repaid over a period not to exceed
13 90 days for a loan made for a regular semester or long summer
14 session or over a proportionately shorter period for loans made for
15 a six-week summer session;

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

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

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

22 (3) the loan amount per student may not exceed an
23 amount equal to the tuition, ~~and~~ mandatory fees, and cost of
24 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.