

By: Gonzales of Williamson

H.B. No. 3578

A BILL TO BE ENTITLED

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.