

1-1 By: Gonzales of Williamson H.B. No. 3578
1-2 (Senate Sponsor - Zaffirini)
1-3 (In the Senate - Received from the House May 13, 2011;
1-4 May 13, 2011, read first time and referred to Committee on Higher
1-5 Education; May 19, 2011, reported favorably by the following vote:
1-6 Yeas 6, Nays 0; May 19, 2011, sent to printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to clarification of the authorized uses for loans under
1-10 public institution of higher education emergency loan programs.

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

1-12 SECTION 1. The heading to Subchapter D, Chapter 56,
1-13 Education Code, is amended to read as follows:

1-14 SUBCHAPTER D. EMERGENCY TUITION, FEE, AND TEXTBOOK [FEES] LOANS

1-15 SECTION 2. Section 56.053(a), Education Code, is amended to
1-16 read as follows:

1-17 (a) The governing board of each institution shall adopt
1-18 rules providing for the terms of the loan, subject to the following:

1-19 (1) the loan must be repaid over a period not to exceed
1-20 90 days for a loan made for a regular semester or long summer
1-21 session or over a proportionately shorter period for loans made for
1-22 a six-week summer session;

1-23 (2) the loan must be evidenced by a written or
1-24 electronic agreement providing for one of the following:

1-25 (A) interest on the loan at a rate of not more
1-26 than five percent per year; or

1-27 (B) an origination fee of not more than 1.25
1-28 percent of the amount of the loan; and

1-29 (3) the loan amount per student may not exceed an
1-30 amount equal to the tuition, ~~and~~ mandatory fees, and cost of
1-31 textbooks for the courses in which the student is actually
1-32 enrolling.

1-33 SECTION 3. This Act takes effect immediately if it receives
1-34 a vote of two-thirds of all the members elected to each house, as
1-35 provided by Section 39, Article III, Texas Constitution. If this
1-36 Act does not receive the vote necessary for immediate effect, this
1-37 Act takes effect September 1, 2011.

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