

BILL ANALYSIS

Senate Research Center
85R15518 SRS-F

C.S.S.B. 887
By: Seliger
Higher Education
3/8/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

One of the new higher education goals in the 60x30 TX plan for the state is that by 2030 student debt not exceed 60 percent of first-year wages for graduates of Texas' public institutions. To attain this goal, students must be well informed on their student debt and understand the short-term and long-term implications of it.

S.B. 887 requires institutions of higher education to annually provide each student with certain information concerning the student's education loans, including the amount borrowed to date and estimated future loan payments. Additionally, S.B. 887 requires institutions to collaborate to foster innovative practices for communicating this information to students, such as, but not limited to, a mobile app. (Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 887 amends current law relating to a requirement that certain participating institutions under the student loan program administered by the Texas Higher Education Coordinating Board provided loan debt information to certain students.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 52.335, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 52, Education Code, by adding Section 52.335, as follows:

Sec. 52.335. REQUIRED LOAN DEBT DISCLOSURE. (a) Provides that this section applies to a participating higher educational institution (IHE) that enrolls one or more students receiving state financial aid administered by the Texas Higher Education Coordinating Board (THECB).

(b) Requires a participating IHE to which this section applies that receives education loan information for a student enrolled in the IHE to, at least annually, provide that student certain information.

(c) Provides that a participating IHE is required to include in the disclosure only education loan debt information regarding the student that the IHE receives or otherwise obtains from the United States Department of Education's central database for student aid and may reasonably collect from its own records.

(d) Requires that the disclosure required under this section identify certain types of education loans and include certain statements and explanations.

(e) Provides that a participating IHE does not incur liability for any representation made under this section.

(f) Requires THECB to adopt rules for the administration of this section.

SECTION 2. Provides that Section 52.335, Education Code, as added by this Act, applies beginning with the 2018-2019 academic year.

SECTION 3. Effective date: upon passage or September 1, 2017.