

By: Johnson of Dallas

H.B. No. 2613

A BILL TO BE ENTITLED

AN ACT

relating to authorization for the Texas Higher Education Coordinating Board to refinance education loans under its student loan program and to use bond proceeds under that program for that purpose.

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

SECTION 1. Subchapter C, Chapter 52, Education Code, is amended by adding Section 52.42 to read as follows:

Sec. 52.42. STUDENT LOAN REFINANCE PROGRAM. (a) As part of the student loan program administered under this subchapter, the board shall establish and administer a student loan refinance program under which the board may refinance at favorable rates federal, state, private, or alternative student loan debt of eligible borrowers. In administering the program, the board may provide consolidation loans to permit an eligible borrower to refinance multiple qualifying loans into a single loan.

(b) The board by rule shall prescribe eligibility criteria for a borrower under the student loan refinance program. The criteria prescribed by the board under this subsection must include requirements for:

- (1) Texas residency;
- (2) creditworthiness;
- (3) debt to income ratio; and
- (4) outstanding student loan debt amount.

1 (c) In administering the student loan refinance program,
2 the board may use any power or authority provided by this chapter or
3 other law applicable to original student loans, to the extent that
4 law may be made applicable to the program.

5 (d) Sections 52.33 and 52.38 do not apply to a student loan
6 refinanced under this section. The board by rule shall prescribe:

7 (1) priorities for determining which student loans to
8 refinance under this section;

9 (2) limitations on the amount of student loan debt
10 that may be refinanced by an eligible borrower under this section;
11 and

12 (3) requirements for the repayment of refinance loans
13 made under this section.

14 (e) The board shall adopt rules as necessary for the
15 administration of this section.

16 SECTION 2. Section 52.62(b), Education Code, is amended to
17 read as follows:

18 (b) The college savings bonds issued by the board under this
19 subchapter are part of the Texas Opportunity Plan Fund, and the
20 proceeds from the bonds shall be invested as provided by Subchapter
21 B of this chapter and may be used for the issuance or refinancing of
22 student loans as provided by Subchapter C of this chapter.

23 SECTION 3. Section 52.90(a), Education Code, is amended to
24 read as follows:

25 (a) The board shall make a loan from the fund to a student
26 who qualifies for the issuance or refinancing of a student loan
27 under Subchapter C.

1 SECTION 4. This Act takes effect September 1, 2017.