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S.B. No. 887

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a requirement that certain participating institutions
3 under the student loan program administered by the Texas Higher
4 Education Coordinating Board provide loan debt information to
5 certain students.

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

7 SECTION 1. Subchapter C, Chapter 52, Education Code, is
8 amended by adding Section 52.335 to read as follows:

9 Sec. 52.335. REQUIRED LOAN DEBT DISCLOSURE. (a) This
10 section applies to a participating higher educational institution
11 that enrolls one or more students receiving state financial aid
12 administered by the Texas Higher Education Coordinating Board.

13 (b) At least annually a participating higher educational
14 institution to which this section applies that receives education
15 loan information for a student enrolled at the institution shall
16 provide to that student in an electronic communication the
17 following information:

18 (1) an estimate of the total amount of state and
19 federal education loans incurred by the student;

20 (2) an estimate of the total payoff amount, or a range
21 for that amount, for the amount described by Subdivision (1),
22 including principal and interest; and

23 (3) an estimate of the monthly repayment amount that
24 the student may incur for the repayment of the amount described by

1 Subdivision (1), including principal and interest.

2 (c) A participating higher educational institution is
3 required to include in the disclosure only education loan debt
4 information regarding the student that the institution:

5 (1) receives or otherwise obtains from the United
6 States Department of Education's central database for student aid;
7 and

8 (2) may reasonably collect from its own records.

9 (d) The disclosure required under this section must:

10 (1) identify the types of education loans included in
11 the institution's estimates; and

12 (2) include:

13 (A) a statement that the disclosure is not a
14 complete and official record of the student's education loan debt;

15 (B) an explanation regarding why the disclosure
16 may not be complete or accurate, including an explanation that for a
17 transfer student, the institution's estimates regarding state
18 loans reflect only state loans incurred by the student for
19 attendance at the institution; and

20 (C) a statement that the institution's estimates
21 are general in nature and are not intended as a guarantee or
22 promise.

23 (e) A participating higher educational institution does not
24 incur liability for any representation made under this section.

25 (f) The Texas Higher Education Coordinating Board shall
26 adopt rules for the administration of this section.

27 SECTION 2. Section 52.335, Education Code, as added by this

1 Act, applies beginning with the 2018-2019 academic year.

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, 2017.