

By: Seliger

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 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) A participating higher educational institution to which
14 this section applies that receives education loan information for a
15 student enrolled at the institution shall provide to that student
16 the following information:

17 (1) an estimate of the total amount of education loans
18 previously incurred by the student;

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

22 (3) an estimate of the monthly repayment amount that
23 the student may incur for the repayment of the amount described by
24 Subdivision (1), including principal and interest; and

1 (4) an estimate of the percentage of the education
2 loan borrowing limit applicable to the student based on the
3 student's dependency status and degree objective.

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

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

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

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

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

14 (2) include:

15 (A) a statement that the disclosure is not a
16 complete and official record of the student's education loan debt,
17 together with an explanation regarding why the disclosure may not
18 be complete or accurate; and

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

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

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

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

1 SECTION 3. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2017.