AN ACT

relating to the student loan default prevention and financial aid literacy pilot program.

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

SECTION 1. Sections 61.0763(a), (b), (c), and (d), Education Code, are amended to read as follows:

(a) [In this section, "career school or college" has the meaning assigned by Section 132.001.

(b) Not later than January 1, 2014, [the board shall establish and administer] a pilot program shall be established at selected postsecondary educational institutions to ensure that students of those institutions are informed consumers with regard to all aspects of student financial aid, including:

(1) the consequences of borrowing to finance a student's postsecondary education;

(2) the financial consequences of a student's academic and career choices; and

(3) strategies for avoiding student loan delinquency and default.

(b) At [(c) The board shall select at] least one institution from each of the following categories of postsecondary educational institutions must be selected to participate in the program:

(1) general academic teaching institutions;
(2) public junior colleges; and
(3) private or independent institutions of higher education[
and]

(4) career schools or colleges).

(c) In selecting postsecondary educational institutions to participate in the pilot program, the board shall give priority shall be given to institutions that are recognized by the United States Department of Education as minority-serving institutions, including minority institutions under Section 1067k of the Higher Education Act of 1965 (20 U.S.C. Section 1001 et seq.) have a three-year cohort student loan default rate, as reported by the United States Department of Education:

(1) of more than 20 percent; or
(2) that has above average growth as compared to the rates of other postsecondary educational institutions in this state).

SECTION 2. Section 57.011, Education Code, is amended by adding Subsection (f) to read as follows:

(f) In accordance with an agreement with the Texas Higher Education Coordinating Board, the Texas Guaranteed Student Loan Corporation shall administer the pilot program established under Section 61.0763. The corporation shall submit to the governor, the lieutenant governor, and the speaker of the house of representatives any annual report or end of program report the corporation submits to the United States Department of Education in administering the pilot program. This subsection expires December 31, 2019.
S.B. No. 1799

SECTION 3. Sections 61.0763(e), (f), and (g), Education Code, are repealed.

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

_____________________________________ ______________________________
President of the Senate Speaker of the House

I hereby certify that S.B. No. 1799 passed the Senate on May 3, 2017, by the following vote: Yeas 29, Nays 2.

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Secretary of the Senate

I hereby certify that S.B. No. 1799 passed the House on May 24, 2017, by the following vote: Yeas 141, Nays 5, two present not voting.

_________________________________
Chief Clerk of the House

Approved:

______________________________
Date

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Governor