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| BILL ANALYSIS |

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| H.B. 4465 |
| By: Turner, Chris |
| Higher Education |
| Committee Report (Unamended) |

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| **BACKGROUND AND PURPOSE**  It has been suggested that certain statutory provisions relating to state student loan programs and the bonds issued to finance those programs need to be updated for closer alignment with constitutional provisions and to allow for certain aspects of current practice, such as the electronic issuance of bonds. H.B. 4465 seeks to provide for such necessary updates and makes certain other revisions. |
| **CRIMINAL JUSTICE IMPACT**  It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY**  It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution. |
| **ANALYSIS**  H.B. 4465 amends the Education Code with regard to the student loan program administered by the Texas Higher Education Coordinating Board to change the fund in which proceeds from the sale of Texas College Student Loan Bonds are required to be placed from the Texas opportunity plan fund to the student loan auxiliary fund. The bill removes the provision establishing the specific manner in which the bonds are required to be executed on behalf of the coordinating board or its successor as general obligations of the state. The bill changes the fund in which proceeds from the sale of certain bonds authorized by the Texas Constitution for purposes of financing student loans are required to be deposited from the Texas opportunity plan fund to the student loan auxiliary fund.  H.B. 4465 includes the student loan auxiliary fund as a fund from which the coordinating board may authorize loans to a qualified applicant and, with regard to the requirement that such an applicant has been accepted for enrollment at a participating higher educational institution, removes a condition relating to the institution's approval by a federal agency. The bill repeals the requirement that a loan applicant provide evidence that the applicant is unable to obtain a guaranteed student loan from a commercial lender if the institution to which the applicant has been accepted for enrollment was not a participating institution on May 1, 1985.  H.B. 4465 removes a loan applicant's income from parents and other sources and the amount the applicant can reasonably be expected to earn from the financial resources available to the applicant used to calculate the amount of the loan. The bill changes the means through which the coordinating board is required to distribute money to a participating institution from a certain electronic funds transfer system maintained by the Texas Guaranteed Student Loan Corporation to the current statewide accounting system.  H.B. 4465 removes the requirement that repayment of any loan and interest begin in no event later than five years from the date the first note evidencing the loan is executed. The bill also removes the option of making repayment to a participating institution as an alternative to repaying the coordinating board directly.  H.B. 4465 removes the Texas opportunity plan fund as a fund in which the coordinating board is required to deposit gifts, grants, or donations of money received for purposes of the student loan program and removes a certain specification regarding the loan programs for which the coordinating board is required to establish separate accounting within the Texas opportunity plan fund and the student auxiliary fund.    H.B. 4465 repeals provisions relating to the cancellation of certain loan repayments, the coordinating board's authority to issue a student loan under the federal family education loan program, and the college savings bonds program.  H.B. 4465 repeals the following provisions of the Education Code:   * Sections 52.32(a-1) and (b); * Section 52.40; * Sections 52.41(a) and (c); and * Subchapter E, Chapter 52. |
| **EFFECTIVE DATE**  September 1, 2019. |