

1-1 By: Turner of Tarrant H.B. No. 4465
 1-2 (Senate Sponsor - Bettencourt)
 1-3 (In the Senate - Received from the House April 29, 2019;
 1-4 April 29, 2019, read first time and referred to Committee on Higher
 1-5 Education; May 6, 2019, reported favorably by the following vote:
 1-6 Yeas 9, Nays 0; May 6, 2019, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 A BILL TO BE ENTITLED
 1-19 AN ACT

1-20 relating to the student loan program administered by the Texas
 1-21 Higher Education Coordinating Board and to the repeal of a related
 1-22 bond program.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Sections 52.11(c), (d), (h), (k), and (n),
 1-25 Education Code, are amended to read as follows:

1-26 (c) The proceeds from the sale of bonds shall be placed in
 1-27 the student loan auxiliary fund [~~Texas Opportunity Plan Fund~~].

1-28 (d) To assure the orderly and economical marketing of the
 1-29 bonds and the reasonable availability of money in the student loan
 1-30 auxiliary fund [~~Texas Opportunity Plan Fund~~], the bonds may be
 1-31 issued in installments.

1-32 (h) The bonds shall be executed on behalf of the
 1-33 coordinating board, or its successor, as general obligations of the
 1-34 State of Texas [~~in the following manner: They shall be signed by~~
 1-35 ~~the chairman or vice chairman and the secretary of the board, and~~
 1-36 ~~the seal of the board shall be impressed on them. They shall be~~
 1-37 ~~signed by the governor and attested by the secretary of state and~~
 1-38 ~~the state seal impressed on them. The resolution authorizing the~~
 1-39 ~~issuance of any installment or series of bonds may prescribe the~~
 1-40 ~~extent to which facsimile signatures and facsimile seals may be~~
 1-41 ~~used in executing the bonds and appurtenant coupons. Interest~~
 1-42 ~~coupons may be signed with the facsimile signatures of the chairman~~
 1-43 ~~or vice chairman and the secretary of the board. In the event any~~
 1-44 ~~officer whose manual or facsimile signature appears on any bond or~~
 1-45 ~~coupon ceases to hold that office before the delivery of the bond or~~
 1-46 ~~coupon, the signature will nevertheless be valid and sufficient for~~
 1-47 ~~all purposes as if he had remained in office until the delivery had~~
 1-48 ~~been made].~~

1-49 (k) The performance of official duties prescribed by
 1-50 Sections 50b-4, 50b-5, 50b-6, and 50b-7, Article III, [~~Section 50b,~~
 1-51 ~~of the~~] Texas Constitution, in reference to the provision for the
 1-52 payment and the payment of the bonds may be enforced in any court of
 1-53 competent jurisdiction through mandamus or other appropriate
 1-54 proceedings.

1-55 (n) This section applies only to bonds issued under Sections
 1-56 50b-4, 50b-5, 50b-6, and 50b-7, Article III, [~~Section 50b, of the~~]
 1-57 Texas Constitution.

1-58 SECTION 2. Section 52.16, Education Code, is amended to
 1-59 read as follows:

1-60 Sec. 52.16. PROCEEDS FROM BOND SALE. All proceeds from the
 1-61 sale of bonds authorized by Sections 50b-4, 50b-5, 50b-6, and

2-1 50b-7, Article III, [~~Section 50b, 50b-1, or 50b-2 of the~~] Texas
 2-2 Constitution, shall be deposited in the state treasury in the
 2-3 student loan auxiliary fund [~~Texas Opportunity Plan Fund~~].

2-4 SECTION 3. Section 52.32(a), Education Code, is amended to
 2-5 read as follows:

2-6 (a) The board may authorize loans from the Texas Opportunity
 2-7 Plan Fund or the student loan auxiliary fund to a qualified
 2-8 applicant who:

2-9 (1) is a resident of this state as defined by the board
 2-10 in accordance with Subchapter B, Chapter 54;

2-11 (2) has been accepted for enrollment at a
 2-12 participating higher educational institution[~~, provided that if~~
 2-13 ~~the institution is a public or private postsecondary educational~~
 2-14 ~~institution, the institution must be approved by an agency of the~~
 2-15 ~~United States government for the purpose of guaranteeing the maker~~
 2-16 ~~of such loans against loss due to the death, disability, or default~~
 2-17 ~~of the borrower];~~

2-18 (3) has established that the student has insufficient
 2-19 resources to finance the student's college education or alternative
 2-20 educator certification program;

2-21 (4) has submitted to the board at least two
 2-22 references, including the names of the persons giving those
 2-23 references and appropriate contact information for those persons;
 2-24 and

2-25 (5) has complied with other requirements established
 2-26 by the rules adopted by the board in conformity with this chapter.

2-27 SECTION 4. Section 52.33, Education Code, is amended to
 2-28 read as follows:

2-29 Sec. 52.33. AMOUNT OF LOAN. The amount of the loan to any
 2-30 qualified applicant shall be limited to the difference between the
 2-31 financial resources available to the applicant, including [~~but not~~
 2-32 ~~limited to~~] the applicant's [~~income from parents and other~~
 2-33 ~~sources,~~] scholarships, gifts, grants, and other financial aid,
 2-34 [~~and the amount the applicant can reasonably be expected to earn,~~]
 2-35 and the amount necessary to pay the applicant's reasonable expenses
 2-36 as a student at the participating institution of higher education
 2-37 where the applicant has been accepted for enrollment, under the
 2-38 rules and regulations adopted by the board. The total loan to any
 2-39 individual student may never be more than the amount the student can
 2-40 reasonably be expected to repay in the maximum loan period provided
 2-41 by board rule, except as otherwise provided for in this chapter.

2-42 SECTION 5. Sections 52.34(a) and (f), Education Code, are
 2-43 amended to read as follows:

2-44 (a) No payment may be made to any student until the student
 2-45 has executed a note payable to the Texas Opportunity Plan Fund or
 2-46 the student loan auxiliary fund for the full amount of the
 2-47 authorized loan plus interest.

2-48 (f) The board shall distribute money to a participating
 2-49 institution through the current statewide accounting system
 2-50 [~~electronic funds transfer system maintained by the Texas~~
 2-51 ~~Guaranteed Student Loan Corporation for disbursing loan funds from~~
 2-52 ~~commercial lenders participating in the guaranteed student loan~~
 2-53 ~~program under Chapter 57, except that at the request of a~~
 2-54 ~~participating institution the board may distribute the money~~
 2-55 ~~through other means. The board shall enter into a contract with the~~
 2-56 ~~corporation for the use of the system, and the corporation shall~~
 2-57 ~~make the system available to the board as necessary to carry out~~
 2-58 ~~this subsection].~~

2-59 SECTION 6. Section 52.38, Education Code, is amended to
 2-60 read as follows:

2-61 Sec. 52.38. REPAYMENT OF LOANS. Repayment of any loan and
 2-62 interest authorized under this chapter shall be made monthly and
 2-63 shall begin not later than nine months after the date the student
 2-64 borrower is last enrolled in a participating institution or any
 2-65 other institution of higher education [~~and in no event later than~~
 2-66 ~~five years from the date the first note evidencing a loan under this~~
 2-67 ~~chapter is executed]. The board may, however, authorize a longer
 2-68 period before beginning repayment of loans to medical students,
 2-69 dental students, and other students seeking professional or~~

3-1 graduate degrees. The board may extend the time for beginning
3-2 repayment for unusual financial hardships, with the approval of the
3-3 attorney general. Repayment shall be made directly to the board [~~or~~
3-4 ~~to a participating institution~~] pursuant to a contract executed by
3-5 the board in accordance with its rules and regulations.

3-6 SECTION 7. The heading to Section 52.41, Education Code, is
3-7 amended to read as follows:

3-8 Sec. 52.41. SERVICING [~~RESTRICTION ON ISSUANCE~~] OF CERTAIN
3-9 FEDERALLY INSURED STUDENT LOANS.

3-10 SECTION 8. Section 52.41(b), Education Code, is amended to
3-11 read as follows:

3-12 (b) The board may service any outstanding student loans
3-13 issued by the board under the Federal Family Education Loan Program
3-14 authorized under Part B, Title IV, of the Higher Education Act of
3-15 1965 (20 U.S.C. Section 1071 et seq.).

3-16 SECTION 9. Section 52.53, Education Code, is amended to
3-17 read as follows:

3-18 Sec. 52.53. GIFTS AND GRANTS. The board may accept gifts,
3-19 grants, or donations of real or personal property from any
3-20 individual, group, association, or corporation or the United
3-21 States, subject to limitations or conditions set by law. The board
3-22 shall deposit gifts, grants, or donations of money [~~in the Texas~~
3-23 ~~Opportunity Plan Fund or~~] in the student loan auxiliary fund and
3-24 shall separately account for and expend the funds in accordance
3-25 with the specific purpose for which given and under such conditions
3-26 as are imposed by the donor and as provided by law.

3-27 SECTION 10. Section 52.541(a), Education Code, is amended
3-28 to read as follows:

3-29 (a) The board shall establish separate accounting within
3-30 the Texas Opportunity Plan Fund and the student loan auxiliary fund
3-31 for each of its existing loan programs [~~, including accounting for~~
3-32 ~~the federally insured loans that are insured by the United States~~
3-33 ~~Department of Education, the federally insured loans that are~~
3-34 ~~insured by the United States Department of Health and Human~~
3-35 ~~Services, and each loan program that consists of loans insured by~~
3-36 ~~the State of Texas~~].

3-37 SECTION 11. The following provisions of the Education Code
3-38 are repealed:

- 3-39 (1) Sections 52.32(a-1) and (b);
- 3-40 (2) Section 52.40;
- 3-41 (3) Sections 52.41(a) and (c); and
- 3-42 (4) Subchapter E, Chapter 52.

3-43 SECTION 12. This Act takes effect September 1, 2019.

3-44 * * * * *