

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;

1 (2) public junior colleges; and

2 (3) private or independent institutions of higher  
3 education[~~, and~~

4 [~~(4) career schools or colleges~~].

5 (c) [~~(d)~~] In selecting postsecondary educational  
6 institutions to participate in the pilot program, [~~the board shall~~  
7 ~~give~~] priority shall be given to institutions that are recognized  
8 by the United States Department of Education as minority-serving  
9 institutions, including minority institutions under Section 1067k  
10 of the Higher Education Act of 1965 (20 U.S.C. Section 1001 et seq.)

11 [~~have a three-year cohort student loan default rate, as reported by~~  
12 ~~the United States Department of Education:~~

13 [~~(1) of more than 20 percent; or~~

14 [~~(2) that has above average growth as compared to the~~  
15 ~~rates of other postsecondary educational institutions in this~~  
16 ~~state~~].

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

19 (f) In accordance with an agreement with the Texas Higher  
20 Education Coordinating Board, the Texas Guaranteed Student Loan  
21 Corporation shall administer the pilot program established under  
22 Section 61.0763. The corporation shall submit to the governor, the  
23 lieutenant governor, and the speaker of the house of  
24 representatives any annual report or end of program report the  
25 corporation submits to the United States Department of Education in  
26 administering the pilot program. This subsection expires December  
27 31, 2019.

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2 Code, are repealed.

3 SECTION 4. This Act takes effect immediately if it receives  
4 a vote of two-thirds of all the members elected to each house, as  
5 provided by Section 39, Article III, Texas Constitution. If this  
6 Act does not receive the vote necessary for immediate effect, this  
7 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.

\_\_\_\_\_  
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

\_\_\_\_\_  
Governor