Chapter 1344  \hspace{156pt} S.B. No. 194

1
2 relating to a prohibition against certain activities by a person
3 employed in the financial aid office of a public institution of
4 higher education or of a career school or college.
5
6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
7
8 SECTION 1. Subchapter Z, Chapter 51, Education Code, is
9 amended by adding Section 51.9645 to read as follows:
10
11 Sec. 51.9645. PROHIBITION AGAINST CERTAIN ACTIVITIES BY
12 FINANCIAL AID EMPLOYEES. (a) In this section:
13
14  (1) "Institution of higher education" has the meaning
15 assigned by Section 61.003.
16
17  (2) "Student loan" means a loan for which the loan
18 agreement requires that all or part of the loan proceeds be used to
19 assist a person in attending an institution of higher education or
20 other postsecondary institution.
21
22  (3) "Student loan lender" means a person whose primary
23 business is:
24
25  (A) making, brokering, arranging, or accepting
26 applications for student loans; or
27
28  (B) a combination of activities described by
29 Paragraph (A).
30
31  (b) A person employed by an institution of higher education
32 in the financial aid office of the institution may not:
33
34  (1) own stock or hold another ownership interest in a
student loan lender, other than through ownership of shares in a
publicly traded mutual fund or similar investment vehicle in which
the person does not exercise any discretion regarding the
investment of the assets of the fund or other investment vehicle; or
(2) solicit or accept any gift from a student loan
lender.
(c) A person who violates this section is subject to
dismissal or other appropriate disciplinary action.

SECTION 2. Subchapter F, Chapter 132, Education Code, is
amended by adding Section 132.158 to read as follows:
Sec. 132.158. PROHIBITION AGAINST CERTAIN ACTIVITIES BY
FINANCIAL AID EMPLOYEES. (a) In this section:
(1) "Student loan" means a loan for which the loan
agreement requires that all or part of the loan proceeds be used to
assist a person in attending an institution of higher education or
other postsecondary institution, including a career school or
college.
(2) "Student loan lender" means a person whose primary
business is:
(A) making, brokering, arranging, or accepting
applications for student loans; or
(B) a combination of activities described by
Paragraph (A).
(b) A person employed by a career school or college in the
financial aid office of the school or college may not:
(1) own stock or hold another ownership interest in a
student loan lender, other than through ownership of shares in a
publicly traded mutual fund or similar investment vehicle in which
the person does not exercise any discretion regarding the
investment of the assets of the fund or other investment vehicle; or
(2) solicit or accept any gift from a student loan
lender.
(c) A career school or college may not knowingly employ a
person who violates Subsection (b). If a career school or college
discovers that its employee is in violation of Subsection (b), the
school or college shall promptly take appropriate action to cure
the violation, including appropriate disciplinary action, based on
the severity of the violation and whether the violation was
inadvertent.
SECTION 3. 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, 2009.
S.B. No. 194

David Dewhurst
President of the Senate

I hereby certify that S.B. No. 194 passed the Senate on April 2, 2009, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 30, 2009, by the following vote: Yeas 31, Nays 0.

J. Straus
Speaker of the House

I hereby certify that S.B. No. 194 passed the House, with amendment, on May 27, 2009, by the following vote: Yeas 148, Nays 0, one present not voting.

RobertHarvey
Secretary of the Senate

Chief Clerk of the House

Approved:

19 Jun 09

Date

Rick Perry
Governor

Filed in the Office of the Secretary of State
2 PM O'Clock
Jun 19 2009

Signature