

## **BILL ANALYSIS**

Senate Research Center  
80R9959 KSD-D

S.B. 1496  
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S/C on Higher Education  
4/3/2007  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Many financial aid officers and officials of universities and community colleges have cited the aversion of poorer students to taking out student loans as a barrier to the Texas B-On-time loan program. For these students, many of whom must work while in school, the loan forgiveness criteria can be difficult to satisfy.

As proposed, S.B. 1496 requires 50 percent of a student's loans awarded under the Texas B-On-time program to be forgiven if the student graduates within five years from an eligible four-year institution with a 2.5 grade point average.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 56.462, Education Code, as follows:

Sec. 56.462. LOAN FORGIVENESS. (a) Creates this subsection from existing text.

(b) Requires a student receiving a Texas B-On-time loan who does not qualify for loan forgiveness under Subsection (a) to be forgiven 50 percent of the amount of the student's loan if the student is awarded an undergraduate degree at an eligible four-year institution or eligible institution that offers only junior-level and senior-level undergraduate courses with a cumulative grade point average of at least 2.5 on a four-point scale or the equivalent within five calendar years after the date the student initially enrolled in the institution or another eligible institution.

SECTION 2. Provides that Section 56.462(b), Education Code, as added by this Act, applies only to a student awarded an undergraduate degree on or after the effective date of this Act, regardless of when the student is awarded such a loan.

SECTION 3. Effective date: upon passage or September 1, 2007.