

HOUSE AMENDMENTS TO HOUSE BILL 4102

By COMMITTEE ON CONSUMER PROTECTION AND GOVERNMENT EFFICIENCY

February 14

1 On page 1 of the printed bill, delete lines 4 through 30 and delete page 2 and insert:

2 **“SECTION 1. (1) As used in this section, ‘third-party financial firm’ means a company,**
3 **business or other organization that contracts with public or private post-secondary insti-**
4 **tutions of education to provide disbursement and management services of financial aid funds**
5 **for students enrolled in the public or private post-secondary institutions of education.**

6 **“(2) A public or private post-secondary institution of education may not enter into a**
7 **contract with a third-party financial firm to provide disbursement and management services**
8 **of financial aid funds for students enrolled at the public or private post-secondary institution**
9 **of education, unless the contract:**

10 **“(a) Requires the third-party financial firm to provide a student with a clear and concise**
11 **fee schedule before the student agrees to open an account offered by the third-party financial**
12 **firm for disbursement and management of the student’s financial aid funds;**

13 **“(b) Requires the third-party financial firm to clearly explain to a student, at the time**
14 **the fee schedule described in paragraph (a) of this subsection is provided to the student, all**
15 **methods of access to financial aid funds that the student may choose;**

16 **“(c) Provides that a student may choose to receive the student’s financial aid funds**
17 **through a paper check, an electronic funds transfer to a bank account of the student’s**
18 **choice or through an account offered by the third-party financial firm;**

19 **“(d) Requires the public or private post-secondary institution of education or third-party**
20 **financial firm to send a paper check to a student or initiate the electronic funds transfer**
21 **within three business days of the date on which the student requested the funds;**

22 **“(e) Prohibits the third-party financial firm from charging a student a fee or other**
23 **charge to receive the student’s financial aid funds through a paper check or an electronic**
24 **funds transfer;**

25 **“(f) Prohibits the third-party financial firm from charging a student a fee per transaction**
26 **for making a debit or similar transaction by using a debit or similar card that is attached**
27 **to the student’s account offered by the third-party financial firm; and**

28 **“(g) Prohibits the parties from revenue sharing, including but not limited to payments**
29 **from the third-party financial firm to the public or private post-secondary institution of ed-**
30 **ucation based on the balances or account activity of any student accounts offered by the**
31 **third-party financial firm.**

32 **“(3) If a contract offers wire transfers as a method of access to student financial aid**
33 **funds, the contract may provide for a reasonable fee charged to a student for the wire**
34 **transfer.**

35 **“SECTION 2. Section 1 of this 2014 Act applies to contracts that a public or private**

1 post-secondary institution of education first advertises or otherwise solicits or, if the public
2 or private post-secondary institution of education does not advertise or otherwise solicit a
3 contract, to a contract into which a public or private post-secondary institution of education
4 first enters on or after the operative date specified in section 3 of this 2014 Act, and applies
5 to existing contracts that the public or private post-secondary institution of education re-
6 news on or after the operative date specified in section 3 of this 2014 Act.

7 “SECTION 3. Section 1 of this 2014 Act becomes operative August 1, 2014.

8 “SECTION 4. A public or private post-secondary institution of education may take any
9 action before the operative date specified in section 3 of this 2014 Act that is necessary for
10 the public or private post-secondary institution of education to exercise, on or after the op-
11 erative date specified in section 3 of this 2014 Act, all of the duties, functions and powers
12 conferred on the public or private post-secondary institution of education by section 1 of this
13 2014 Act.

14 “SECTION 5. This 2014 Act being necessary for the immediate preservation of the public
15 peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect
16 on its passage.”.

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