

House Bill 4102

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Consumer Protection and Government Efficiency)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Prohibits public or private post-secondary institutions of education from entering into contracts with student financial aid management firms unless contracts meet certain requirements.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to regulation of student financial aid; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) As used in this section, "financial firm" means a company, business or**
5 **other organization that contracts with public or private post-secondary institutions of edu-**
6 **cation to manage student financial aid funds for students enrolled in the public or private**
7 **post-secondary institutions of education.**

8 **(2) A public or private post-secondary institution of education may not enter into a con-**
9 **tract with a financial firm to manage student financial aid funds for students enrolled at the**
10 **public or private post-secondary institution of education unless the contract:**

11 **(a) Prohibits the financial firm from deducting charges, fees or other administrative**
12 **costs from a student financial aid account that the financial firm manages;**

13 **(b) Permits a student whose student financial aid account is managed by the financial**
14 **firm to authorize direct payment of funds from the student's financial aid account to the**
15 **public or private post-secondary institution of education where the student is enrolled for**
16 **payment of the student's tuition, fees or other debt;**

17 **(c) Permits a student whose student financial aid account is managed by the financial**
18 **firm to select the method of access to the financial aid funds in the student's financial aid**
19 **account, including the use of a pre-paid card, debit card or electronic funds transfer to an-**
20 **other bank account chosen by the student; and**

21 **(d) Requires the financial firm to complete an electronic funds transfer from a student's**
22 **financial aid account managed by the financial firm to a bank account chosen by the student**
23 **within three days of the student's request for the electronic funds transfer.**

24 **SECTION 2. Section 1 of this 2014 Act applies to contracts that a public or private post-**
25 **secondary institution of education first advertises or otherwise solicits or, if the public or**
26 **private post-secondary institution of education does not advertise or otherwise solicit a**
27 **contract, to a contract into which a public or private post-secondary institution of education**
28 **first enters into on or after the operative date specified in section 3 of this 2014 Act.**

29 **SECTION 3. Section 1 of this 2014 Act becomes operative August 1, 2014.**

30 **SECTION 4. A public or private post-secondary institution of education may take any**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **action before the operative date specified in section 3 of this 2014 Act that is necessary for**
2 **the public or private post-secondary institution of education to exercise, on or after the op-**
3 **erative date specified in section 3 of this 2014 Act, all of the duties, functions and powers**
4 **conferred on the public or private post-secondary institution of education by section 1 of this**
5 **2014 Act.**

6 **SECTION 5. This 2014 Act being necessary for the immediate preservation of the public**
7 **peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect**
8 **on its passage.**

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