

**Amendments Mock-up for 2013-2014 AB-1927 (Frazier (A))**

**\*\*\*\*\*Amendments are in BOLD\*\*\*\*\***

**Mock-up based on Version Number 98 - Amended Assembly 4/10/14**

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 69505.7 is added to the Education Code, to read:

**69505.7.** (a) The Board of Governors of the California Community Colleges and the Trustees of the California State University shall, and the Regents of the University of California and the governing bodies of accredited private nonprofit and for-profit educational institutions are requested to, adopt policies to be used for negotiating contracts between their educational institutions and banks and other financial institutions to disburse a student's financial aid award and other refunds onto a debit card, prepaid card, or preloaded card that best serves the needs of the students.

(b) The policies adopted pursuant to subdivision (a) shall, consistent with federal law and **30 CFR Section 668.164**, ensure that contracts between educational institutions and banks or other financial institutions to disburse a student's financial aid award and other refunds onto a debit card, prepaid card, or preloaded card do at least all of the following:

(1) Prohibit revenue sharing between a postsecondary educational institution and banks or other financial institutions.

(2) Prohibit the sale **or sharing** of private **personal information as defined in Civil Code Section 1798.81.5(a)1** that the student or the educational institution provides the bank or other financial institution.

(3) Prohibit the **bank or other financial institution from imposing unreasonable fees, including a point of sale transaction fee, on a student for the use of the** debit card, prepaid card, or preloaded ~~card use from imposing fees.~~ **card. Any fees imposed by the bank or other financial institution shall be paid by the postsecondary educational institution.**

**(4) Provide a clear and conspicuous disclosure of all fees associated with the debit card, prepaid card, or preloaded card.**

~~(4)~~ **(5) Provide, in the case of a cobranded card, a clear and conspicuous disclosure to students that** the debit card, prepaid card, or preloaded card **is not endorsed by**

~~from being co-branded, which means including the logo of the postsecondary educational institution.~~

~~(5)~~ (6) Ensure that the student does not incur any cost in opening the account or initially receiving the debit card, prepaid card, or preloaded card.

~~(6)~~ (7) (A) Ensure that the student has convenient access to a branch office of the bank or an automated teller machine of the bank in which the account was opened or of another bank, so that the student does not incur any cost in making withdrawals from that office or those automated teller machines.

~~(B)~~ (8) The branch office or automated teller machines must be located on the postsecondary educational institution's campus, in an institutionally owned or operated facility, or immediately adjacent to and accessible from the campus.

~~(7)~~ (9) Ensure that the debit card, prepaid card, or preloaded card can be widely used.

~~(8)~~ (10) Not market or portray the account or debit card, prepaid card, or preloaded card as a credit card or credit instrument, or subsequently convert the account or debit card, prepaid card, or preloaded card to a credit card or credit instrument.

**(11) The postsecondary institutions shall disclose to students the benefits and responsibilities of all options of financial aid disbursement that are offered by the postsecondary institution.**