



State and Consumer Services Agency – Governor Edmund G. Brown, Jr.

Bureau for Private Postsecondary Education
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NOTICE TO LICENSEES OF CHANGES TO LAWS AFFECTING POSTSECONDARY EDUCATIONAL INSTITUTIONS

Dear School Administrators:

On January 1, 2013, several new laws related to public and private colleges and universities became effective. These statutory changes are not contained within the California Private Postsecondary Education Act and are not directly enforced by the Bureau. However, some or all of these laws may be applicable to your institution. This courtesy notice is intended to provide you with information regarding the new laws and statutory changes that became effective on January 1, 2013.

Senate Bill 1289, Chapter 623, Statutes of 2012, requires public, private and independent educational institutions to state in all printed and online financial aid materials and private loan applications distributed or made available by the institution: (1) federal student loans are required by law to provide a range of flexible repayment options, including, but not limited to, income-based repayment and income-contingent repayment plans, and loan forgiveness benefits, which other student loans are not required to provide; and (2) federal direct loans are available to students regardless of income.

An institution may continue to use financial aid materials that are printed before January 1, 2013, if the institution includes an insert with the printed material that provides the aforementioned required information. Financial aid materials printed on or after January 1, 2013 are required to contain all of the aforementioned information.

Institutions are also required to clearly distinguish private loans from federal loans in individual financial aid awards by stating, for any private loans included by the institution as part of the institution's award package: (1) whether the rate is fixed or variable; (2) an explanation that private student loans can offer variable interest rates that can increase or decrease over time, depending on market conditions; (3) an explanation that private student loans have a range of interest rates and fees and students should determine the interest rate of, and any fees associated with, the private student loan included in their financial aid award package before accepting the loan; (4) an explanation that students should contact the lender of the private student loan or their postsecondary educational institution's financial aid office if they have any questions about a private student loan; and (5) an explanation that the interest rate on a private loan may depend on the borrower's credit rating.

Institutions that provide a private loan lender list must also provide general information about the loans available through the lender and disclose the basis for each lender's

inclusion on the list. The institution must also disclose that the student has the ability to choose any lender.

Complete text of the legislation can be found at the following link:

http://leginfo.ca.gov/pub/11-12/bill/sen/sb_1251-1300/sb_1289_bill_20120927_chaptered.pdf

Senate Bill 1349, Chapter 619, Statutes of 2012, prohibits public and private postsecondary educational institutions, and their employees and representatives, from requesting a student, prospective student, or student group to: (1) disclose a user name or password for accessing social media; (2) access personal social media in the presence of the institution's employees or representatives; and (3) divulge any personal social media information.

Institutions are prohibited from suspending, expelling, disciplining, or threatening to take any of those actions, or otherwise penalizing a student, prospective student, or student group in any way for refusing to comply with a request or demand that violates the aforementioned prohibitions. Institutions are not prohibited from: (1) exercising rights and obligations to protect against and investigate alleged student misconduct or violations of applicable laws and regulations; or (2) taking any adverse action against a student, prospective student, or student group for any lawful reason.

Complete text of the legislation can be found at the following link:

http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_1301-1350/sb_1349_bill_20120927_chaptered.pdf

Senate Bill 1525, Chapter 625, Statutes of 2012, enacts the Student Athlete Bill of Rights and places specific requirements on collegiate athletic programs offered at a campus of the University of California or the California State University, or any four-year private university located in California that maintains an intercollegiate athletic program, commencing with the 2013-14 academic year and ending January 1, 2021.

Complete text of the legislation can be found at the following link:

http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_1501-1550/sb_1525_bill_20120927_chaptered.html

Senate Bill 1539, Chapter 151, Statutes of 2012, requires textbook publishers and their agents or employees to provide a faculty member of a public or private postsecondary educational institution who selects the student textbooks, with specified information regarding products offered, wholesale and retail pricing, and differences and changes in new editions of textbooks.

Complete text of the legislation can be found at the following link:

http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_1501-1550/sb_1539_bill_20120717_chaptered.pdf

Institutions are encouraged to read the full text of the aforementioned legislation in order to determine applicability and compliance. As previously indicated, the Bureau is not directed to interpret or enforce these provisions; however, we will do our best to answer or appropriately redirect any questions that your institution has in regards to compliance with these new laws.

Sincerely,

Laura Metune, Bureau Chief
California Bureau for Private Postsecondary Education