

SSB 5022 - H COMM AMD
By Committee on Higher Education

ADOPTED 04/10/2017

1 Strike everything after the enacting clause and insert the
2 following:

3 NEW SECTION. **Sec. 1.** The legislature finds and declares that
4 students pursuing higher education benefit from periodic notification
5 about the balance of their student education loan debt. This
6 notification helps students and their families make informed
7 borrowing decisions about how to finance their postsecondary
8 education and be more prepared for repayment when leaving school. The
9 legislature recognizes the steps many higher education institutions
10 in Washington have already taken to provide financial education and
11 information to their students. The legislature encourages schools to
12 continue to strengthen financial literacy training, financial aid
13 counseling, and other resources available to students. It is the
14 intent of the legislature to ensure that all students pursuing higher
15 education in Washington receive periodic notifications about their
16 student education loan debt.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.10
18 RCW to read as follows:

19 (1) The definitions in this subsection apply throughout this
20 section unless the context clearly requires otherwise.

21 (a) "Educational institution" includes any entity that is an
22 institution of higher education as defined in RCW 28B.10.016, a
23 degree-granting institution as defined in RCW 28B.85.010, a private
24 vocational school as defined in RCW 28C.10.020, or school as defined
25 in RCW 18.16.020.

26 (b) "Student education loan" means any loan solely for personal
27 use to finance postsecondary education and costs of attendance at an
28 educational institution.

29 (2) Subject to the availability of amounts appropriated for this
30 specific purpose, an educational institution must provide to an
31 enrolled student who has applied for student financial aid a

1 notification including the following information about the student
2 education loans the educational institution has certified:

3 (a) An estimate, based on information available at the time the
4 notification is provided, of the:

5 (i) Total amount of student education loans taken out by the
6 student;

7 (ii) Potential total payoff amount of the student education loans
8 incurred or a range of the total payoff amount, including principal
9 and interest;

10 (iii) The monthly repayment amount that the student may incur for
11 the amount of student education loans the student has taken out,
12 based on the federal loan repayment plan borrowers are automatically
13 enrolled in if they do not select an alternative repayment plan; and

14 (iv) Percentage of the aggregate federal direct loan borrowing
15 limit applicable to the student's program of study the student has
16 reached at the time the information is sent to the student; and

17 (b) Consumer information about the differences between private
18 student loans and federal student loans, including the availability
19 of income-based repayment plans and loan forgiveness programs for
20 federal loans.

21 (3) The notification provided under subsection (2) of this
22 section must include a statement that the estimates and ranges
23 provided are general in nature and not meant as a guarantee or
24 promise of the actual projected amount. It must also include a
25 statement that a variety of repayment plans are available for federal
26 student loans that may limit the monthly repayment amount based on
27 income.

28 (4) The notification must include information about how to access
29 resources for student education loan borrowers provided by federal or
30 state agencies, such as a student education loan debt hotline and web
31 site or student education loan ombuds, federal student loan repayment
32 calculator, or other available resources.

33 (5) An educational institution must provide the notification
34 required in subsection (2) of this section via email. In addition,
35 the educational institution may provide the notification in writing,
36 in an electronic format, or in person.

37 (6) An educational institution does not incur liability,
38 including for actions under chapter 19.86 RCW by the attorney
39 general, for any good faith representations made under subsection (2)
40 of this section.

1 (7) Educational institutions must begin providing the
2 notification required under subsection (2) of this section by July 1,
3 2018, each time a financial aid package that includes a new or
4 revised student education loan is offered to the student.

5 (8) Subject to the availability of amounts appropriated for this
6 specific purpose, an organization representing the public four-year
7 colleges and universities, an organization representing the private
8 nonprofit institutions, the state board for community and technical
9 colleges under chapter 28B.50 RCW, the workforce training and
10 education coordinating board as defined in RCW 28C.18.020, and the
11 department of licensing under chapter 46.01 RCW, must develop a form
12 for the educational institutions to use to report compliance by July
13 1, 2018.

14 (9) Beginning December 1, 2019, and biannually thereafter until
15 December 25, 2025, the organizations under subsection (8) of this
16 section must submit a report in compliance with RCW 43.01.036 to the
17 legislature that details how the educational institutions are in
18 compliance with this section.

19 NEW SECTION. **Sec. 3.** This act may be known and cited as the
20 Washington student loan transparency act."

21 Correct the title.

EFFECT: Requires the educational institutions to provide students
the notification about their student loans via email with the
additional options of in writing, other electronic format, or in
person.

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