H-1433.1

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**SUBSTITUTE HOUSE BILL 1057**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** House Higher Education (originally sponsored by Representatives Orwall, Shea, Pollet, Van Werven, Hargrove, Fitzgibbon, Nealey, Kilduff, Ormsby, Jinkins, Goodman, Gregerson, Stambaugh, Hudgins, and Tarleton; by request of Attorney General)

AN ACT Relating to providing information to students about education loans; adding a new section to chapter 28B.10 RCW; and creating new sections.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

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

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

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

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

(2) An educational institution must provide to an enrolled student who has applied for student financial aid a notification including the following information about the student education loans the educational institution has certified:

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

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

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

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

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

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

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

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

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

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

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

(8) The student achievement council under chapter 28B.77 RCW, in consultation with the state board for community and technical colleges under chapter 28B.50 RCW, the workforce training and education coordinating board as defined in RCW 28C.18.020, and the department of licensing under chapter 46.01 RCW, must develop a form for the educational institutions to use to report compliance by July 1, 2018. Educational institutions must report compliance with the student achievement council at least annually beginning January 1, 2019.

(9) Beginning December 1, 2019, and biannually thereafter until December 25, 2025, the student achievement council must submit a report in compliance with RCW 43.01.036 to the legislature that details how the educational institutions are in compliance with this section.

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

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