
SUBSTITUTE HOUSE BILL 1439

State of Washington

65th Legislature

2017 Regular Session

By House Higher Education (originally sponsored by Representatives Pollet, Haler, Tarleton, Fey, Sells, Orwall, Ryu, Stanford, and Dolan)

READ FIRST TIME 02/17/17.

1 AN ACT Relating to regulating the institutions of higher
2 education, including for-profit institutions and private vocational
3 schools, to protect students from unfair business practices; amending
4 RCW 28B.85.020, 28B.85.090, 28B.85.100, 28C.10.050, 28C.10.110, and
5 28C.10.130; adding new sections to chapter 28B.85 RCW; adding new
6 sections to chapter 28C.10 RCW; creating new sections; and
7 prescribing penalties.

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

9 NEW SECTION. **Sec. 1.** The legislature finds that there are many
10 private for-profit and nonprofit career colleges and degree-granting
11 institutions providing Washington state residents with important
12 postsecondary and career opportunities that contribute to the
13 economic security of Washington residents and aid in meeting the
14 needs of our state's growing economy. The legislature also recognizes
15 that there have been high profile closures of, or federal and other
16 state determinations regarding, some for-profit or formerly for-
17 profit institutions that have damaged the reputation of the sector
18 and impacted the expectations and financial stability of some
19 students. It is the legislature's intent to provide a framework to
20 ensure a level playing field exists for the many institutions that
21 provide disclosures to prospective students based on verifiable

1 metrics, which allow prospective students to be able to make the best
2 decisions on school and career choices and on financial aid and loans
3 to finance their educational goals. The legislature also intends to
4 ensure that students are provided the information they need to make
5 the best decisions for their educational future and careers in event
6 of closure or potential closure of an institution. In addition, the
7 legislature intends to protect the state's interest in the integrity
8 of its grant and aid programs, from private decisions to close
9 schools or programs under circumstances that may prevent students
10 from obtaining the degree or certificate and career services that the
11 students expected upon enrollment.

12 NEW SECTION. **Sec. 2.** (1) Subject to the availability of amounts
13 appropriated for this specific purpose, the student achievement
14 council must continue administering the two-part study of for-profit
15 degree-granting institutions and private vocational schools that was
16 authorized under section 609, chapter 36, Laws of 2016 sp. sess..

17 (2) As part of the second part of the process, the study must
18 contain findings and recommendations regarding the creation of an
19 ombuds to serve students of degree-granting institutions and private
20 vocational schools, including a recommendation on which state agency
21 should house the position, and if there are other ombuds positions
22 created by the legislature that can serve these students.

23 (3) The student achievement council and the workforce training
24 and education coordinating board must provide a report on the study
25 to the legislature by December 31, 2017.

26 **Sec. 3.** RCW 28B.85.020 and 2013 c 218 s 3 are each amended to
27 read as follows:

28 (1) The council:

29 (a) Shall adopt by rule, in accordance with chapter 34.05 RCW,
30 minimum standards for degree-granting institutions concerning
31 granting of degrees, quality of education, unfair business practices,
32 financial stability, and other necessary measures to protect citizens
33 of this state against substandard, fraudulent, or deceptive
34 practices. The rules shall require that an institution operating in
35 Washington:

36 (i) Be accredited;

37 (ii) Have applied for accreditation and such application is
38 pending before the accrediting agency;

1 (iii) Have been granted a waiver by the council waiving the
2 requirement of accreditation; or

3 (iv) Have been granted an exemption by the council from the
4 requirements of this subsection (1)(a);

5 (b) Shall require that a degree-granting institution authorized
6 to operate under this chapter and any agent of the institution, shall
7 not engage in any practice regarding the sale of, or inducing of
8 students to obtain, specific consumer student loan products to fund
9 education that financially benefits any person or entity that has an
10 ownership interest in the institution, unless the institution can
11 demonstrate to the council that the student has exhausted all federal
12 aid options and has been denied noninstitutional private commercial
13 loan products. The prohibition in this subsection (1)(b) applies to
14 any degree-granting institution authorized to operate under this
15 chapter, and any agent of the institution, that has at least one
16 hundred fifty students or more enrolled in the state in any given
17 year or that has been operating in the state for less than two
18 consecutive years. A financial benefit for purposes of this
19 subsection (1)(b) does not include merely having an interest in
20 students with loans enrolling in the institution or assisting
21 students with financial aid matters. For purposes of this subsection
22 (1)(b), "agent" means any employee, officer, or contractor working on
23 behalf of the institution.

24 (c) May investigate any entity the council reasonably believes to
25 be subject to the jurisdiction of this chapter. In connection with
26 the investigation, the council may administer oaths and affirmations,
27 issue subpoenas and compel attendance, take evidence, and require the
28 production of any books, papers, correspondence, memorandums, or
29 other records which the council deems relevant or material to the
30 investigation. The council, including its staff and any other
31 authorized persons, may conduct site inspections, the cost of which
32 shall be borne by the institution, and examine records of all
33 institutions subject to this chapter;

34 ~~((e))~~ (d) May negotiate and enter into interstate reciprocity
35 agreements with other state or multistate entities if the agreements
36 are consistent with the purposes in this chapter as determined by the
37 council;

38 ~~((d))~~ (e) May enter into agreements with degree-granting
39 institutions of higher education based in this state, that are
40 otherwise exempt under the provisions of (a) of this subsection

1 (~~((1)(a) of this section~~)), for the purpose of ensuring consistent
2 consumer protection in interstate distance delivery of higher
3 education;

4 (~~((e))~~) (f) Shall develop an interagency agreement with the
5 workforce training and education coordinating board to regulate
6 degree-granting private vocational schools with respect to degree and
7 nondegree programs; and

8 (~~((f))~~) (g) Shall develop and disseminate information to the
9 public about entities that sell or award degrees without requiring
10 appropriate academic achievement at the postsecondary level,
11 including but not limited to, a description of the substandard and
12 potentially fraudulent practices of these entities, and advice about
13 how the public can recognize and avoid the entities. To the extent
14 feasible, the information shall include links to additional resources
15 that may assist the public in identifying specific institutions
16 offering substandard or fraudulent degree programs.

17 (2) Financial disclosures provided to the council by degree-
18 granting private vocational schools are not subject to public
19 disclosure under chapter 42.56 RCW.

20 **Sec. 4.** RCW 28B.85.090 and 2012 c 229 s 550 are each amended to
21 read as follows:

22 (1) Complaints may be filed with the council under this chapter
23 by a person claiming loss of tuition or fees as a result of an unfair
24 business practice (~~((may file a complaint with the council))~~). The
25 complaint shall set forth the alleged violation and shall contain
26 information required by the council. A complaint may also be filed
27 with the council by an authorized staff member of the council or by
28 the attorney general.

29 (2) The council shall investigate any complaint under this
30 section and may attempt to bring about a settlement. The council may
31 hold a hearing pursuant to the Administrative Procedure Act, chapter
32 34.05 RCW, in order to determine whether a violation has occurred. If
33 the council prevails, the degree-granting institution shall pay the
34 costs of the administrative hearing.

35 (3) If, after the hearing, the council finds that the institution
36 or its agent engaged in or is engaging in any unfair business
37 practice, the council shall issue and cause to be served upon the
38 violator an order requiring the violator to cease and desist from the
39 act or practice and may impose the penalties under RCW 28B.85.100 and

1 section 6 of this act. If the council finds that the complainant has
2 suffered loss as a result of the act or practice, the council may
3 order full or partial restitution for the loss. The complainant is
4 not bound by the council's determination of restitution and may
5 pursue any other legal remedy, including an action pursuant to RCW
6 19.86.020 of the consumer protection act.

7 **Sec. 5.** RCW 28B.85.100 and 2012 c 229 s 551 are each amended to
8 read as follows:

9 (1) Any person, group, or entity or any owner, officer, agent, or
10 employee of such entity who willfully violates any provision of this
11 chapter or the rules adopted under this chapter shall be subject to a
12 civil penalty of not more than one hundred dollars for each
13 violation. Each day on which a violation occurs, and each student
14 injured by an unfair business practice, constitutes a separate
15 violation. The fine may be imposed by the council or by any court of
16 competent jurisdiction.

17 (2) In addition to the penalties authorized under subsection (1)
18 of this section, any violation of any provision of this chapter under
19 RCW 28B.85.180 is also a violation of RCW 19.86.020 of the consumer
20 protection act. The penalties authorized pursuant to subsection (1)
21 of this section do not preclude remedies available under the
22 provisions of the consumer protection act.

23 NEW SECTION. **Sec. 6.** A new section is added to chapter 28B.85
24 RCW to read as follows:

25 (1) The council may deny, revoke, or suspend the authorization of
26 any degree-granting institution authorized to operate under this
27 chapter that is found to be in violation of this chapter including,
28 but not limited to, having engaged in a significant number of unfair
29 business practices.

30 (2) It is a violation of this chapter for a degree-granting
31 institution authorized to operate under this chapter or an agent
32 employed by such a degree-granting institution to:

33 (a) Provide prospective students with any testimonial,
34 endorsement, or other information that a reasonable person would find
35 was likely to mislead or deceive prospective students or the public
36 regarding current practices of the school, current conditions for
37 employment opportunities, postgraduation employment by industry, or
38 probable earnings in the occupation for which the education was

1 designed, the likelihood of obtaining financial aid or low-interest
2 loans for tuition, or the ability of graduates to repay loans;

3 (b) Fail to continue job placement services promised to enrollees
4 or graduates in the event the institution is sold or reduces any
5 programs or services;

6 (c) Place a current student or exiter of a program in a
7 short-term job:

8 (i) That is not relevant to the student's training, in order to
9 meet reporting requirements under state law; or

10 (ii) Where the placement is done for the purpose of reporting the
11 current student or an exiter of a program as employed, in order to
12 meet reporting requirements under state law;

13 (d) Use any official United States military logo in advertising
14 or promotional materials; or

15 (e) Violate the provision of RCW 28B.85.020(1)(b) regarding the
16 sale of, or inducing of students to obtain, specific consumer student
17 loan products.

18 (3) For the purposes of implementing this section, the council
19 shall establish in rule definitions for the terms "short-term job,"
20 "part-time employment," "self-employment," and "underreported
21 earnings." The definitions established must be consistent with how
22 those terms are defined by the workforce training and education
23 coordinating board pursuant to section 10 of this act.

24 NEW SECTION. **Sec. 7.** A new section is added to chapter 28B.85
25 RCW to read as follows:

26 If a degree-granting institution authorized to operate under this
27 chapter presents data about its completion rates, employment rates,
28 loan or indebtedness metrics, or its graduates' median hourly and
29 annual earnings, the presentation of that data must be consistent
30 with the methodology and procedures used by schools presenting data
31 on the workforce training and education coordinating board's career
32 bridge web site or the United States department of education, or
33 other means to assure consistent and accurate reporting as determined
34 by the council.

35 NEW SECTION. **Sec. 8.** A new section is added to chapter 28B.85
36 RCW to read as follows:

37 (1) A degree-granting institution authorized to operate under
38 this chapter must provide notice regarding student's rights under

1 this chapter, any applicable federal law, and the complaint
2 procedures in RCW 28B.85.090:

3 (a) In writing to current students and exiters of a program;

4 (b) On the web site of the institution; and

5 (c) In all communications regarding the sale or the closing of a
6 program, facility, or site, and those communications must be mailed,
7 posted on the institution's web site, and distributed in any meeting
8 between students and the institution.

9 (2) The council must provide the form and content of the notice
10 required in this section. The notice must inform students that claims
11 may be pursued by filing a complaint with the council or by filing a
12 complaint pursuant to the consumer protection act and of the
13 availability of any ombuds that may be established by the council to
14 assist students in resolving concerns.

15 (3) The council may direct institutions to post the notice in a
16 conspicuous location within the institution and on any web site
17 maintained by the institution and to send the notices by mail to
18 students.

19 **Sec. 9.** RCW 28C.10.050 and 2014 c 11 s 2 are each amended to
20 read as follows:

21 (1) The agency shall adopt by rule minimum standards for entities
22 operating private vocational schools. The minimum standards shall
23 include, but not be limited to, requirements to assess whether a
24 private vocational school is eligible to obtain and maintain a
25 license in this state.

26 (2) The requirements adopted by the agency shall, at a minimum,
27 require a private vocational school to:

28 (a) Disclose to the agency information about its ownership and
29 financial position and ~~((tø))~~ demonstrate to the agency that the
30 school is financially viable and responsible and that it has
31 sufficient financial resources to fulfill its commitments to
32 students. Financial disclosures provided to the agency shall not be
33 subject to public disclosure under chapter 42.56 RCW;

34 (b) Follow a uniform statewide cancellation and refund policy as
35 specified by the agency;

36 (c) Disclose through use of a school catalog, web site, brochure,
37 or other written material, necessary information to students so that
38 students may make informed enrollment decisions. The agency shall
39 specify what data and information ~~((is))~~ are required. To the extent

1 that these web sites or materials present any data on the completion
2 rates, employment rates, loan or indebtedness metrics, and its
3 graduates' median hourly and annual earnings for any of the private
4 vocational schools or its programs, the presentation of that data
5 must be consistent with the methodology and procedures used by
6 schools presenting data on the agency's career bridge web site or the
7 United States department of education or other means to assure
8 consistent and accurate reporting as determined by the agency. In
9 those cases where the agency does not have information calculated for
10 the career bridge web site on a school or program, the agency shall
11 establish procedures and methodology and required accompanying
12 descriptive material for any alternative data posted;

13 (d) Use an enrollment contract or agreement that includes: (i)
14 The school's cancellation and refund policy, (ii) a brief statement
15 that the school is licensed under this chapter and that inquiries,
16 concerns, or complaints may be made to the agency, and (iii) other
17 necessary information as determined by the agency;

18 (e) Describe accurately and completely in writing to students
19 before their enrollment prerequisites and requirements for (i)
20 completing successfully the programs of study in which they are
21 interested and (ii) qualifying for the fields of employment for which
22 their education is designed;

23 (f) Comply with the requirements of RCW 28C.10.084;

24 (g) Assess the basic skills and relevant aptitudes of each
25 potential student to determine that a potential student has the basic
26 skills and relevant aptitudes necessary to complete and benefit from
27 the program in which the student plans to enroll, including but not
28 limited to administering a United States department of education-
29 approved English as a second language exam before enrolling students
30 for whom English is a second language unless the students provide
31 proof of graduation from a United States high school or proof of
32 completion of a high school equivalency certificate as provided in
33 RCW 28B.50.536 in English or results of another academic assessment
34 determined appropriate by the agency. Guidelines for such assessments
35 shall be developed by the agency, in consultation with the schools;

36 (h) Discuss with each potential student the potential student's
37 obligations in signing any enrollment contract and/or incurring any
38 debt for educational purposes. The discussion shall include the
39 inadvisability of acquiring an excessive educational debt burden that

1 will be difficult to repay given employment opportunities and average
2 starting salaries in the potential student's chosen occupation;

3 (i) Ensure that any enrollment contract between the private
4 vocational school and its students has an attachment in a format
5 provided by the agency. The attachment shall be signed by both the
6 school and the student. The attachment shall stipulate that the
7 school has complied with (h) of this subsection and that the student
8 understands and accepts his or her responsibilities in signing any
9 enrollment contract or debt application. The attachment shall also
10 stipulate that the enrollment contract shall not be binding for at
11 least five days, excluding Sundays and holidays, following signature
12 of the enrollment contract by both parties; ~~((and))~~

13 (j) Comply with the requirements related to qualifications of
14 administrators and instructors.

15 (3) A private vocational school that has at least one hundred
16 fifty students or more in the state during any given year, or that
17 has been operating in the state for less than two consecutive years,
18 or that has not had at least one of its programs recognized by the
19 agency as an eligible training provider for at least two consecutive
20 years, may not engage in any practice regarding the sale of, or
21 inducing of students to obtain, specific consumer student loan
22 products to fund education that financially benefits any person or
23 entity that has an ownership interest in the institution, unless the
24 institution can demonstrate to the agency that the student has
25 exhausted all federal aid options and has been denied
26 noninstitutional private commercial loan products. A financial
27 benefit for purposes of this subsection (3) does not include merely
28 having an interest in students with loans enrolling in the
29 institution or assisting students with financial aid matters. For
30 purposes of this subsection (3), "agent" means any employee, officer,
31 or contractor working on behalf of the institution.

32 (4) The agency may deny a private vocational school's application
33 for licensure if the school fails to meet the requirements in this
34 section.

35 ~~((+4))~~ (5) The agency may determine that a licensed private
36 vocational school or a particular program of a private vocational
37 school is at risk of closure or termination if:

38 (a) There is a pattern or history of substantiated student
39 complaints filed with the agency pursuant to RCW 28C.10.120; or

1 (b) The private vocational school fails to meet minimum licensing
2 requirements and has a pattern or history of failing to meet the
3 minimum requirements.

4 ((+5)) (6) If the agency determines that a private vocational
5 school or a particular program is at risk of closure or termination,
6 the agency shall require the school to take corrective action.

7 **Sec. 10.** RCW 28C.10.110 and 2014 c 11 s 6 are each amended to
8 read as follows:

9 (1) It is a violation of this chapter for an entity operating a
10 private vocational school to engage in an unfair business practice.
11 The agency may deny, revoke, or suspend the license of any entity
12 that is found to have engaged in a substantial number of unfair
13 business practices or that has engaged in significant unfair business
14 practices.

15 (2) It is an unfair business practice for an entity operating a
16 private vocational school or an agent employed by a private
17 vocational school to:

18 (a) Fail to comply with the terms of a student enrollment
19 contract or agreement;

20 (b) Use an enrollment contract form, catalog, brochure, or
21 similar written material affecting the terms and conditions of
22 student enrollment other than that previously submitted to the agency
23 and authorized for use;

24 (c) Advertise in the help wanted section of a newspaper or
25 otherwise represent falsely, directly or by implication, that the
26 school is an employment agency, is making an offer of employment or
27 otherwise is attempting to conceal the fact that what is being
28 represented are course offerings of a school;

29 (d) Represent falsely, directly or by implication, that an
30 educational program is approved by a particular industry or that
31 successful completion of the program qualifies a student for
32 admission to a labor union or similar organization or for the receipt
33 of a state license in any business, occupation, or profession;

34 (e) Represent falsely, directly or by implication, that a student
35 who successfully completes a course or program of instruction may
36 transfer credit for the course or program to any institution of
37 higher education;

38 (f) Represent falsely, directly or by implication, in advertising
39 or in any other manner, the school's size, location, facilities,

1 equipment, faculty qualifications, number of faculty, or the extent
2 or nature of any approval received from an accrediting association;

3 (g) Represent that the school is approved, recommended, or
4 endorsed by the state of Washington or by the agency, except the fact
5 that the school is authorized to operate under this chapter may be
6 stated;

7 (h) Provide prospective students with: Any testimonial,
8 endorsement, or other information ((which has the tendency)) that a
9 reasonable person would find likely to mislead or deceive prospective
10 students or the public, including those regarding current practices
11 of the school((τ)); information regarding rates of completion or
12 postgraduation employment by industry, or its graduates' median
13 hourly or annual earnings, that is not consistent with the
14 methodology and procedures for presenting such information as
15 established under RCW 28C.10.050(2)(c); current conditions for
16 employment opportunities((τ)); postgraduation employment by industry
17 or probable earnings in the occupation for which the education was
18 designed; total cost to obtain a degree or certificate; the
19 acceptance of a degree or certificate by employers as a qualification
20 for employment; the acceptance of courses, a degree, or certificate
21 by higher education institutions; the likelihood of obtaining
22 financial aid or low-interest loans for tuition; and the ability of
23 graduates to repay loans;

24 (i) Designate or refer to sales representatives as "counselors,"
25 "advisors," or similar terms which have the tendency to mislead or
26 deceive prospective students or the public regarding the authority or
27 qualifications of the sales representatives;

28 (j) Make or cause to be made any statement or representation in
29 connection with the offering of education if the school or agent
30 knows or reasonably should have known the statement or representation
31 to be false, substantially inaccurate, or misleading;

32 (k) Engage in methods of advertising, sales, collection, credit,
33 or other business practices which are false, deceptive, misleading,
34 or unfair, as determined by the agency by rule; ((øτ))

35 (l) Attempt to recruit students in or within forty feet of a
36 building that contains a welfare or unemployment office. Recruiting
37 includes, but is not limited to canvassing and surveying. Recruiting
38 does not include leaving materials at or near an office for a person
39 to pick up of his or her own accord, or handing a brochure or leaflet
40 to a person provided that no attempt is made to obtain a name,

1 address, telephone number, or other data, or to otherwise actively
2 pursue the enrollment of the individual;

3 (m) Violate RCW 28C.10.050(3) regarding the sale of, or inducing
4 of students to obtain, specific consumer student loan products;

5 (n) Place a current student or exiter of a program in a
6 short-term job:

7 (i) That is not relevant to the student's training in order to
8 meet reporting requirements under state or federal law; or

9 (ii) Where the placement is done for the purpose of reporting the
10 current student or an exiter of a program as employed, in order to
11 meet reporting requirements under state or federal law; or

12 (o) Use any official United States military logos in advertising
13 or promotional materials.

14 (3) For the purposes of implementing this section, the agency
15 shall establish in rule definitions for the terms "short-term job,"
16 "part-time employment," "self-employment," and "underreported
17 earnings." The definitions established must be consistent with how
18 those terms are defined by the student achievement council pursuant
19 to section 6 of this act.

20 **Sec. 11.** RCW 28C.10.130 and 1986 c 299 s 13 are each amended to
21 read as follows:

22 (1) Any private vocational school or agent violating RCW
23 28C.10.060, 28C.10.090, or 28C.10.110 or the applicable agency rules
24 is subject to a civil penalty of not more than one hundred dollars
25 for each separate violation. Each day on which a violation occurs,
26 and each student injured by an unfair business practice, constitutes
27 a separate violation. Multiple violations on a single day may be
28 considered separate violations. The fine may be imposed by the agency
29 under RCW 28C.10.120, or in any court of competent jurisdiction.

30 (2) In addition to the penalties authorized pursuant to
31 subsection (1) of this section, any violation of any provision of
32 this chapter is also a violation of RCW 19.86.020 of the consumer
33 protection act, pursuant to RCW 28C.10.210. The penalties authorized
34 under subsection (1) of this section do not preclude remedies
35 available under the provisions of the consumer protection act.

36 NEW SECTION. **Sec. 12.** A new section is added to chapter 28C.10
37 RCW to read as follows:

1 (1) Private vocational schools shall provide notices regarding
2 students' rights under this chapter, any applicable federal law, and
3 the complaint procedures in RCW 28C.10.120:

4 (a) In writing to current students and exiters of a program;

5 (b) On the web site of the institution; and

6 (c) In all communications regarding the sale or the closing of a
7 program, facility, or site, and those communications must be mailed,
8 posted on the institution's web site, and distributed in any meeting
9 between students and the institution.

10 (2) The agency must provide the form and content of the notice
11 required in this section. The notice must inform students how to
12 contact the office of the ombuds for advice and mediation regarding
13 concerns, and inform students that claims may be pursued by filing a
14 complaint with the agency or by filing a complaint pursuant to RCW
15 19.86.020.

16 (3) The agency may direct institutions to post the notices in a
17 conspicuous location within the institution and on its web sites and
18 to send the notices by mail to students.

19 NEW SECTION. **Sec. 13.** A new section is added to chapter 28B.85
20 RCW to read as follows:

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

23 (a) "Educational institution" means a degree-granting institution
24 authorized to operate under this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

32 (7) Educational institutions must begin providing the
33 notification required under subsection (2) of this section by July 1,
34 2018, each time a financial aid package that includes a new or
35 revised student education loan is offered to the student.

36 (8) The council must develop a form for the educational
37 institutions to use to report compliance by July 1, 2018. Educational
38 institutions must report compliance with the student achievement
39 council at least annually beginning January 1, 2019.

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

5 NEW SECTION. **Sec. 14.** A new section is added to chapter 28C.10
6 RCW to read as follows:

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

9 (a) "Educational institution" means a private vocational school
10 operating under this chapter.

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

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

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

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

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

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

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

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

36 (3) The notification provided under subsection (2) of this
37 section must include a statement that the estimates and ranges
38 provided are general in nature and not meant as a guarantee or
39 promise of the actual projected amount. It must also include a

1 statement that a variety of repayment plans are available for federal
2 student loans that may limit the monthly repayment amount based on
3 income.

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

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

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

17 (7) Educational institutions must begin providing the
18 notification required under subsection (2) of this section by July 1,
19 2018, each time a financial aid package that includes a new or
20 revised student education loan is offered to the student.

21 (8) The agency must develop a form for the educational
22 institutions to use to report compliance by July 1, 2018. Educational
23 institutions must report compliance with the agency at least annually
24 beginning January 1, 2019.

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

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