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SECOND SUBSTITUTE HOUSE BILL 1439

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State of Washington                      65th Legislature                      2017 Regular Session

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

READ FIRST TIME 02/24/17.

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 posted data must be consistent with the data  
30 posted on the workforce training and education coordinating board's  
31 career bridge web site or the data posted by the United States  
32 department of education, if the board or the department of education  
33 has posted such data.

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

36 (1) A degree-granting institution authorized to operate under  
37 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 (~~to~~) 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 posted data must be  
5 consistent with the data posted on the agency's career bridge web  
6 site or the data posted by the United States department of education,  
7 if the agency or the department of education has posted such data.  
8 Nothing in this subsection requires the agency to make changes to the  
9 career bridge web site or add new elements or features to the career  
10 bridge web site;

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

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

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

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

34 (h) Discuss with each potential student the potential student's  
35 obligations in signing any enrollment contract and/or incurring any  
36 debt for educational purposes. The discussion shall include the  
37 inadvisability of acquiring an excessive educational debt burden that  
38 will be difficult to repay given employment opportunities and average  
39 starting salaries in the potential student's chosen occupation;



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

11 (j) Comply with the requirements related to qualifications of  
12 administrators and instructors.

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

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

33 ~~((4))~~ (5) The agency may determine that a licensed private  
34 vocational school or a particular program of a private vocational  
35 school is at risk of closure or termination if:

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

38 (b) The private vocational school fails to meet minimum licensing  
39 requirements and has a pattern or history of failing to meet the  
40 minimum requirements.

1       (~~(5)~~) (6) If the agency determines that a private vocational  
2 school or a particular program is at risk of closure or termination,  
3 the agency shall require the school to take corrective action.

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

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

12       (2) It is an unfair business practice for an entity operating a  
13 private vocational school or an agent employed by a private  
14 vocational school to:

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

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

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

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

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

35       (f) Represent falsely, directly or by implication, in advertising  
36 or in any other manner, the school's size, location, facilities,  
37 equipment, faculty qualifications, number of faculty, or the extent  
38 or nature of any approval received from an accrediting association;

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

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

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

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

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

32 (l) Attempt to recruit students in or within forty feet of a  
33 building that contains a welfare or unemployment office. Recruiting  
34 includes, but is not limited to canvassing and surveying. Recruiting  
35 does not include leaving materials at or near an office for a person  
36 to pick up of his or her own accord, or handing a brochure or leaflet  
37 to a person provided that no attempt is made to obtain a name,  
38 address, telephone number, or other data, or to otherwise actively  
39 pursue the enrollment of the individual;

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

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

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

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

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

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

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

20 (1) Any private vocational school or agent violating RCW  
21 28C.10.060, 28C.10.090, or 28C.10.110 or the applicable agency rules  
22 is subject to a civil penalty of not more than one hundred dollars  
23 for each separate violation. Each day on which a violation occurs,  
24 and each student injured by an unfair business practice, constitutes  
25 a separate violation. Multiple violations on a single day may be  
26 considered separate violations. The fine may be imposed by the agency  
27 under RCW 28C.10.120, or in any court of competent jurisdiction.

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

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

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

1 (a) In writing to current students and exiters of a program;  
2 (b) On the web site of the institution; and  
3 (c) In all communications regarding the sale or the closing of a  
4 program, facility, or site, and those communications must be mailed,  
5 posted on the institution's web site, and distributed in any meeting  
6 between students and the institution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (7) Educational institutions must begin providing the  
29 notification required under subsection (2) of this section by July 1,  
30 2018, each time a financial aid package that includes a new or  
31 revised student education loan is offered to the student.

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

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

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

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

5        (a) "Educational institution" means a private vocational school  
6    operating under this chapter.

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

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

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

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

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

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

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

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

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

39       (4) The notification must include information about how to access  
40    resources for student education loan borrowers provided by federal or

1 state agencies, such as a student education loan debt hotline and web  
2 site or student education loan ombuds, federal student loan repayment  
3 calculator, or other available resources.

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

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

12 (7) Educational institutions must begin providing the  
13 notification required under subsection (2) of this section by July 1,  
14 2018, each time a financial aid package that includes a new or  
15 revised student education loan is offered to the student.

16 (8) The agency must develop a form for the educational  
17 institutions to use to report compliance by July 1, 2018. Educational  
18 institutions must report compliance with the agency at least annually  
19 beginning January 1, 2019.

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

24 NEW SECTION. **Sec. 15.** If specific funding for the purposes of  
25 this act, referencing this act by bill or chapter number, is not  
26 provided by June 30, 2017, in the omnibus appropriations act, this  
27 act is null and void.

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