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HOUSE BILL 1439

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State of Washington

65th Legislature

2017 Regular Session

By Representatives Pollet, Haler, Tarleton, Fey, Sells, Orwall, Ryu, Stanford, and Dolan

Read first time 01/19/17. Referred to Committee on Higher Education.

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 a new section; and  
7 prescribing penalties.

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

9 NEW SECTION. **Sec. 1.** The legislature intends that students  
10 enrolled in for-profit higher education institutions and private  
11 vocational schools should be protected from documented practices that  
12 have jeopardized students' investments in obtaining higher education  
13 or vocational training, including marketing of loans at  
14 extraordinarily high interest rates by institutions with a financial  
15 interest in the students' debt; inflation of data regarding  
16 postgraduation employment or earning levels to induce students to  
17 enroll; exaggeration of the likelihood of student's ability to obtain  
18 financial aid or low-interest loans for tuition; and overstatement  
19 about the ability of graduates to repay loans.

20 The legislature finds that it is necessary to protect (1)  
21 students who are enrolled in for-profit higher education institutions

1 or private vocational schools, and (2) the state's interest in the  
2 integrity of its grant and aid programs, from private decisions to  
3 close schools or programs under circumstances that may prevent  
4 students from obtaining the degree or certificate and career services  
5 that the students expected upon enrollment.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.85  
7 RCW to read as follows:

8 (1) There is created the office of the ombuds serving students of  
9 for-profit degree granting institutions and private vocational  
10 schools. The office is created within the council to provide  
11 assistance to students of for-profit postsecondary institutions and  
12 private vocational schools.

13 (2) The council, in coordination with the workforce training and  
14 education coordinating board, must appoint an ombuds, who must be a  
15 person of recognized judgment, independence, objectivity, and  
16 integrity and must be qualified by training and experience in the  
17 area of higher education.

18 (3)(a) The office of the ombuds must assist past, currently  
19 enrolled, and prospective students on understanding their rights with  
20 respect to for-profit postsecondary institutions and private  
21 vocational schools, including the disclosures required of the  
22 institutions and schools and the student's rights if the institution  
23 or school terminates programs or closes.

24 (b) The office of the ombuds must offer mediation between  
25 students and for-profit degree granting institutions regulated by the  
26 council or private vocational schools regulated by the workforce  
27 training and education coordinating board or the department of  
28 licensing.

29 (4) The office of the ombuds must track the number of student  
30 inquiries it receives and the types of questions and concerns raised  
31 by the students.

32 (5) To ensure independence, the ombuds, or the office of the  
33 ombuds' director, if there is a director, shall report to the  
34 director of the council and may not be removed or replaced from  
35 office by the director of the council without the council's director  
36 first notifying the full council and being advised by the full  
37 council.

38 (6) The office of the ombuds must be created no later than  
39 September 1, 2018.

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

3       (1) The council:

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

11       (i) Be accredited;

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

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

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

18       (b) Shall require that a degree-granting institution that  
19 operates on a for-profit basis and any agent of the institution,  
20 shall not engage in any practice regarding the sale of, or inducing  
21 of students to obtain, specific consumer student loan products to  
22 fund education that financially benefits any person or entity that  
23 has an ownership interest in the institution, unless the institution  
24 can demonstrate to the council that the student has exhausted all  
25 federal aid options and has been denied noninstitutional private  
26 commercial loan products. The prohibition in this subsection (1)(b)  
27 applies to any degree-granting institution that operates on a for-  
28 profit basis, and any agent of the institution, that has at least one  
29 hundred fifty students or more enrolled in the state in any given  
30 year or that has been operating in the state for less than two  
31 consecutive years. A financial benefit for purposes of this  
32 subsection (1)(b) does not include merely having an interest in  
33 students with loans enrolling in the institution or assisting  
34 students with financial aid matters. For purposes of this subsection  
35 (1)(b), "agent" means any employee, officer, or contractor working on  
36 behalf of the institution.

37       (c) May investigate any entity the council reasonably believes to  
38 be subject to the jurisdiction of this chapter. In connection with  
39 the investigation, the council may administer oaths and affirmations,  
40 issue subpoenas and compel attendance, take evidence, and require the

1 production of any books, papers, correspondence, memorandums, or  
2 other records which the council deems relevant or material to the  
3 investigation. The council, including its staff and any other  
4 authorized persons, may conduct site inspections, the cost of which  
5 shall be borne by the institution, and examine records of all  
6 institutions subject to this chapter;

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

11 ~~((d))~~ (e) May enter into agreements with degree-granting  
12 institutions of higher education based in this state, that are  
13 otherwise exempt under the provisions of (a) of this subsection  
14 ~~((1)(a) of this section)),~~ for the purpose of ensuring consistent  
15 consumer protection in interstate distance delivery of higher  
16 education;

17 ~~((e))~~ (f) Shall develop an interagency agreement with the  
18 workforce training and education coordinating board to regulate  
19 degree-granting private vocational schools with respect to degree and  
20 nondegree programs; and

21 ~~((f))~~ (g) Shall develop and disseminate information to the  
22 public about entities that sell or award degrees without requiring  
23 appropriate academic achievement at the postsecondary level,  
24 including but not limited to, a description of the substandard and  
25 potentially fraudulent practices of these entities, and advice about  
26 how the public can recognize and avoid the entities. To the extent  
27 feasible, the information shall include links to additional resources  
28 that may assist the public in identifying specific institutions  
29 offering substandard or fraudulent degree programs.

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

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

35 (1) Complaints may be filed with the council under this chapter  
36 by a person claiming loss of tuition or fees as a result of an unfair  
37 business practice ~~((may file a complaint with the council))~~. The  
38 complaint shall set forth the alleged violation and shall contain  
39 information required by the council. A complaint may also be filed

1 with the council by an authorized staff member of the council or by  
2 the attorney general.

3 (2) The council shall investigate any complaint under this  
4 section and may attempt to bring about a settlement. The council may  
5 hold a hearing pursuant to the Administrative Procedure Act, chapter  
6 34.05 RCW, in order to determine whether a violation has occurred. If  
7 the council prevails, the degree-granting institution shall pay the  
8 costs of the administrative hearing.

9 (3) If, after the hearing, the council finds that the institution  
10 or its agent engaged in or is engaging in any unfair business  
11 practice, the council shall issue and cause to be served upon the  
12 violator an order requiring the violator to cease and desist from the  
13 act or practice and may impose the penalties under RCW 28B.85.100. If  
14 the council finds that the complainant has suffered loss as a result  
15 of the act or practice, the council may order full or partial  
16 restitution for the loss. The complainant is not bound by the  
17 council's determination of restitution and may pursue any other legal  
18 remedy, including an action pursuant to RCW 19.86.020 of the consumer  
19 protection act.

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

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

30 (2) In addition to the penalties authorized under subsection (1)  
31 of this section, any violation of any provision of this chapter under  
32 RCW 28B.85.180 is also a violation of RCW 19.86.020 of the consumer  
33 protection act. The penalties authorized pursuant to subsection (1)  
34 of this section do not preclude remedies available under the  
35 provisions of the consumer protection act.

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

1 (1) The council may deny, revoke, or suspend the authorization of  
2 any institution that is found to have engaged in a substantial number  
3 of unfair business practices or that has engaged in significant  
4 unfair business practices.

5 (2) It is a violation of this chapter for a degree-granting  
6 institution that operates on a for-profit basis or an agent employed  
7 by such a degree-granting institution to:

8 (a) Provide prospective students with any testimonial,  
9 endorsement, or other information that a reasonable person would find  
10 was likely to mislead or deceive prospective students or the public  
11 regarding current practices of the school, current conditions for  
12 employment opportunities, postgraduation career placement rates or  
13 probable earnings in the occupation for which the education was  
14 designed, the likelihood of obtaining financial aid or low-interest  
15 loans for tuition, or the ability of graduates to repay loans;

16 (b) Fail to continue job placement services promised to enrollees  
17 or graduates in the event the institution is sold or reduces any  
18 programs or services;

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

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

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

26 (d) Use any official United States military logo in advertising  
27 or promotional materials.

28 (3) It is a violation of this chapter for a degree-granting  
29 institution that operates on a for-profit basis or an agent of the  
30 institution to engage in any practice regarding student loan products  
31 to fund education that benefits any person or entity having an  
32 ownership interest in the institution, or in any practice from which  
33 the institution benefits financially on the sale of, or enrollment of  
34 students in, loan products to fund education. The prohibition in this  
35 subsection (3) applies to any degree-granting institution that  
36 operates on a for-profit basis, and any agent of the institution,  
37 that has at least one hundred fifty students or more enrolled in the  
38 state in any given year or that has been operating in the state for  
39 less than two consecutive years.

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

3        If a degree-granting institution operating on a for-profit basis  
4    presents data about its completion rates, employment rates, loan or  
5    indebtedness metrics, or its graduates' median hourly and annual  
6    earnings, the presentation of that data must be consistent with the  
7    methodology and procedures used by schools presenting data on the  
8    workforce training and education coordinating board's career bridge  
9    web site, as determined by the council.

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

12        (1) A degree-granting institution that operates on a for-profit  
13    basis must provide notice regarding student's rights under this  
14    chapter, any applicable federal law, and the complaint procedures in  
15    RCW 28B.85.090:

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

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

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

22        (2) The council must provide the form and content of the notice  
23    required in this section. The notice must inform students that claims  
24    may be pursued by filing a complaint with the council or by filing a  
25    complaint pursuant to RCW 19.86.020 and of the availability of the  
26    office of the ombuds serving students of for-profit degree granting  
27    institutions and private vocational schools to assist students in  
28    resolving concerns.

29        (3) The council may direct institutions to post the notice in a  
30    conspicuous location within the institution and on any web site  
31    maintained by the institution and to send the notices by mail to  
32    students.

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

35        (1) The agency shall adopt by rule minimum standards for entities  
36    operating private vocational schools. The minimum standards shall  
37    include, but not be limited to, requirements to assess whether a

1 private vocational school is eligible to obtain and maintain a  
2 license in this state.

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

5 (a) Disclose to the agency information about its ownership and  
6 financial position and (~~to~~) demonstrate to the agency that the  
7 school is financially viable and responsible and that it has  
8 sufficient financial resources to fulfill its commitments to  
9 students. Financial disclosures provided to the agency shall not be  
10 subject to public disclosure under chapter 42.56 RCW;

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

13 (c) Disclose through use of a school catalog, web site, brochure,  
14 or other written material, necessary information to students so that  
15 students may make informed enrollment decisions. The agency shall  
16 specify what data and information (~~is~~) are required. To the extent  
17 that these web sites or materials present any data on the completion  
18 rates, employment rates, loan or indebtedness metrics, and median  
19 hourly and annual earnings for any of the private vocational schools  
20 or its programs, this information must be consistent with the same  
21 types of information as currently presented on the agency's career  
22 bridge web site. In those cases where the agency does not have  
23 information calculated for the career bridge web site on a school or  
24 program, the agency shall establish procedures and methodology and  
25 required accompanying descriptive material for any alternative data  
26 posted;

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

32 (e) Describe accurately and completely in writing to students  
33 before their enrollment prerequisites and requirements for (i)  
34 completing successfully the programs of study in which they are  
35 interested and (ii) qualifying for the fields of employment for which  
36 their education is designed;

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

38 (g) Assess the basic skills and relevant aptitudes of each  
39 potential student to determine that a potential student has the basic  
40 skills and relevant aptitudes necessary to complete and benefit from



1 the program in which the student plans to enroll, including but not  
2 limited to administering a United States department of education-  
3 approved English as a second language exam before enrolling students  
4 for whom English is a second language unless the students provide  
5 proof of graduation from a United States high school or proof of  
6 completion of a high school equivalency certificate as provided in  
7 RCW 28B.50.536 in English or results of another academic assessment  
8 determined appropriate by the agency. Guidelines for such assessments  
9 shall be developed by the agency, in consultation with the schools;

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

16 (i) Ensure that any enrollment contract between the private  
17 vocational school and its students has an attachment in a format  
18 provided by the agency. The attachment shall be signed by both the  
19 school and the student. The attachment shall stipulate that the  
20 school has complied with (h) of this subsection and that the student  
21 understands and accepts his or her responsibilities in signing any  
22 enrollment contract or debt application. The attachment shall also  
23 stipulate that the enrollment contract shall not be binding for at  
24 least five days, excluding Sundays and holidays, following signature  
25 of the enrollment contract by both parties; (~~and~~)

26 (j) Comply with the requirements related to qualifications of  
27 administrators and instructors.

28 (3) A private vocational school that has at least one hundred  
29 fifty students or more in the state during any given year, or that  
30 has been operating in the state for less than two consecutive years,  
31 or that has not been recognized by the agency as an eligible training  
32 provider for at least two consecutive years, may not engage in any  
33 practice regarding the sale of, or inducing of students to obtain,  
34 specific consumer student loan products to fund education that  
35 financially benefits any person or entity that has an ownership  
36 interest in the institution, unless the institution can demonstrate  
37 to the agency that the student has exhausted all federal aid options  
38 and has been denied noninstitutional private commercial loan  
39 products. A financial benefit for purposes of this subsection (3)  
40 does not include merely having an interest in students with loans

1 enrolling in the institution or assisting students with financial aid  
2 matters. For purposes of this subsection (3), "agent" means any  
3 employee, officer, or contractor working on behalf of the  
4 institution.

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

8 (~~(4)~~) (5) The agency may determine that a licensed private  
9 vocational school or a particular program of a private vocational  
10 school is at risk of closure or termination if:

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

13 (b) The private vocational school fails to meet minimum licensing  
14 requirements and has a pattern or history of failing to meet the  
15 minimum requirements.

16 (~~(5)~~) (6) If the agency determines that a private vocational  
17 school or a particular program is at risk of closure or termination,  
18 the agency shall require the school to take corrective action.

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

21 (1) It is a violation of this chapter for an entity operating a  
22 private vocational school to engage in an unfair business practice.  
23 The agency may deny, revoke, or suspend the license of any entity  
24 that is found to have engaged in a substantial number of unfair  
25 business practices or that has engaged in significant unfair business  
26 practices.

27 (2) It is an unfair business practice for an entity operating a  
28 private vocational school or an agent employed by a private  
29 vocational school to:

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

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

36 (c) Advertise in the help wanted section of a newspaper or  
37 otherwise represent falsely, directly or by implication, that the  
38 school is an employment agency, is making an offer of employment or

1 otherwise is attempting to conceal the fact that what is being  
2 represented are course offerings of a school;

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

8 (e) Represent falsely, directly or by implication, that a student  
9 who successfully completes a course or program of instruction may  
10 transfer credit for the course or program to any institution of  
11 higher education;

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

16 (g) Represent that the school is approved, recommended, or  
17 endorsed by the state of Washington or by the agency, except the fact  
18 that the school is authorized to operate under this chapter may be  
19 stated;

20 (h) Provide prospective students with: Any testimonial,  
21 endorsement, or other information ((which has the tendency)) that a  
22 reasonable person would find likely to mislead or deceive prospective  
23 students or the public, including those regarding current practices  
24 of the school((τ)); information regarding rates of completion or  
25 postgraduation employment programs, or postgraduation median hourly  
26 or annual earnings, that are not consistent with either the data  
27 posted by the agency on its career bridge web site or alternative  
28 data the agency has required in cases where the agency does not have  
29 information calculated for the career bridge web site; current  
30 conditions for employment opportunities((τ)); postgraduation career  
31 placement rates or probable earnings in the occupation for which the  
32 education was designed; total cost to obtain a degree or certificate;  
33 the acceptance of a degree or certificate by employers as a  
34 qualification for employment; the acceptance of courses, a degree, or  
35 certificate by higher education institutions; the likelihood of  
36 obtaining financial aid or low-interest loans for tuition; and the  
37 ability of graduates to repay loans;

38 (i) Designate or refer to sales representatives as "counselors,"  
39 "advisors," or similar terms which have the tendency to mislead or

1 deceive prospective students or the public regarding the authority or  
2 qualifications of the sales representatives;

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

7 (k) Engage in methods of advertising, sales, collection, credit,  
8 or other business practices which are false, deceptive, misleading,  
9 or unfair, as determined by the agency by rule; ((~~o~~))

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

18 (m) Engage in any practice regarding the sale of, or inducing of  
19 students to obtain, specific consumer student loan products to fund  
20 education that financially benefits any person or entity that has an  
21 ownership interest in the institution, unless the institution can  
22 demonstrate to the agency that the student has exhausted all federal  
23 aid options and has been denied noninstitutional private commercial  
24 loan products, if the prohibition under RCW 28C.10.050(3) applies;

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

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

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

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

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

36 (1) Any private vocational school or agent violating RCW  
37 28C.10.060, 28C.10.090, or 28C.10.110 or the applicable agency rules  
38 is subject to a civil penalty of not more than one hundred dollars  
39 for each separate violation. Each day on which a violation occurs,

1 and each student injured by an unfair business practice, constitutes  
2 a separate violation. Multiple violations on a single day may be  
3 considered separate violations. The fine may be imposed by the agency  
4 under RCW 28C.10.120, or in any court of competent jurisdiction.

5 (2) In addition to the penalties authorized pursuant to  
6 subsection (1) of this section, any violation of any provision of  
7 this chapter is also a violation of RCW 19.86.020 of the consumer  
8 protection act, pursuant to RCW 28C.10.210. The penalties authorized  
9 under subsection (1) of this section do not preclude remedies  
10 available under the provisions of the consumer protection act.

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

13 (1) Private vocational schools shall provide notices regarding  
14 students' rights under this chapter, any applicable federal law, and  
15 the complaint procedures in RCW 28B.85.090:

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

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

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

22 (2) The agency must provide the form and content of the notice  
23 required in this section. The notice must inform students how to  
24 contact the office of the ombuds for advice and mediation regarding  
25 concerns, and inform students that claims may be pursued by filing a  
26 complaint with the agency or by filing a complaint pursuant to RCW  
27 19.86.020.

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

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

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

35 (a) "Education loan" means any loan primarily for personal use to  
36 finance education or other school-related expenses that the  
37 institution has certified.

38 (b) "Institution" means a for-profit degree-granting institution.

1 (2) An institution that receives education loan information for  
2 an enrolled student must provide to that student a notification  
3 including the following information about the loans the institution  
4 has certified:

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

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

8 (ii) Potential total payoff amount of the education loans  
9 incurred or a range of the total payoff amount;

10 (iii) Monthly repayment amounts that a similarly situated  
11 borrower may incur, including principal and interest, for the amount  
12 of loans the student has taken out, based on the federal loan  
13 repayment plan borrowers are automatically enrolled in if they do not  
14 select an alternative repayment plan; and

15 (iv) Percentage of the federal direct loan borrowing limit the  
16 student has reached; and

17 (b) Information about the differences between private student  
18 loans and federal student loans, including the availability of  
19 income-based repayment plans for federal loans.

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

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

32 (5) An institution must provide the notification required in  
33 subsection (2) of this section via email or in writing.

34 (6) An institution does not incur liability for any good faith  
35 representations made under subsection (2) of this section.

36 (7) Institutions must begin providing the notification required  
37 under subsection (2) of this section by January 1, 2018, each time a  
38 new financial aid package including loans is offered to the student.

39 (8) The student achievement council under chapter 28B.77 RCW, the  
40 workforce training and education coordinating board as defined in RCW

1 28C.18.020, or the department of licensing under chapter 46.01 RCW,  
2 must develop a form for reporting compliance by January 1, 2018.  
3 Institutions must report compliance with the agency, as applicable,  
4 at least annually beginning January 1, 2019.

5 (9) Beginning December 1, 2019, and biannually thereafter until  
6 December 25, 2025, the agencies identified under subsection (8) of  
7 this section must submit a report in compliance with RCW 43.01.036 to  
8 the legislature that details how the institutions are in compliance  
9 with this section.

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

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

14 (a) "Education loan" means any loan primarily for personal use to  
15 finance education or other school-related expenses that the  
16 institution has certified.

17 (b) "Institution" means a private vocational school.

18 (2) An institution that receives education loan information for  
19 an enrolled student must provide to that student a notification  
20 including the following information about the loans the institution  
21 has certified:

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

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

25 (ii) Potential total payoff amount of the education loans  
26 incurred or a range of the total payoff amount;

27 (iii) Monthly repayment amounts that a similarly situated  
28 borrower may incur, including principal and interest, for the amount  
29 of loans the student has taken out, based on the federal loan  
30 repayment plan borrowers are automatically enrolled in if they do not  
31 select an alternative repayment plan; and

32 (iv) Percentage of the federal direct loan borrowing limit the  
33 student has reached; and

34 (b) Information about the differences between private student  
35 loans and federal student loans, including the availability of  
36 income-based repayment plans for federal loans.

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

1 promise of the actual projected amount. It must also include a  
2 statement that a variety of repayment plans are available for federal  
3 student loans that may limit the monthly repayment amount based on  
4 income.

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

10 (5) An institution must provide the notification required in  
11 subsection (2) of this section via email or in writing.

12 (6) An institution does not incur liability for any good faith  
13 representations made under subsection (2) of this section.

14 (7) Institutions must begin providing the notification required  
15 under subsection (2) of this section by January 1, 2018, each time a  
16 new financial aid package including loans is offered to the student.

17 (8) The student achievement council under chapter 28B.77 RCW, the  
18 workforce training and education coordinating board as defined in RCW  
19 28C.18.020, or the department of licensing under chapter 46.01 RCW,  
20 must develop a form for reporting compliance by January 1, 2018.  
21 Institutions must report compliance with the agency, as applicable,  
22 at least annually beginning January 1, 2019.

23 (9) Beginning December 1, 2019, and biannually thereafter until  
24 December 25, 2025, the agencies identified under subsection (8) of  
25 this section must submit a report in compliance with RCW 43.01.036 to  
26 the legislature that details how the institutions are in compliance  
27 with this section.

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