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HOUSE BILL 1057

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State of Washington

65th Legislature

2017 Regular Session

By Representatives Orwall, Shea, Pollet, Van Werven, Hargrove, Fitzgibbon, Nealey, Kilduff, Ormsby, Jinkins, Goodman, Gregerson, Stambaugh, Hudgins, and Tarleton; by request of Attorney General

Prefiled 01/04/17. Read first time 01/09/17. Referred to Committee on Higher Education.

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

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

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

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

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

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

6 (b) "Institution" includes any entity that is a degree-granting  
7 institution as defined in RCW 28B.85.010, a private vocational school  
8 as defined in RCW 28C.10.020, or school as defined in RCW 18.16.020.

9 (2) An institution that receives education loan information for  
10 an enrolled student must provide to that student a notification  
11 including the following information about the loans the institution  
12 has certified:

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

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

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

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

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

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

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

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

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

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

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

8 (8) The student achievement council under chapter 28B.77 RCW, the  
9 workforce training and education coordinating board as defined in RCW  
10 28C.18.020, or the department of licensing under chapter 46.01 RCW,  
11 must develop a form for reporting compliance by January 1, 2018.  
12 Institutions must report compliance with the agency, as applicable,  
13 at least annually beginning January 1, 2019.

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

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

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