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**SUBSTITUTE SENATE BILL 5022**

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**State of Washington**

**65th Legislature**

**2017 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Bailey, Rolfes, Lias, Keiser, Conway, Wellman, Hasegawa, Mullet, Frockt, and Kuderer; by request of Attorney General)

READ FIRST TIME 02/24/17.

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

19 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.10  
20 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) "Educational institution" includes any entity that is an  
4 institution of higher education as defined in RCW 28B.10.016, a  
5 degree-granting institution as defined in RCW 28B.85.010, a private  
6 vocational school as defined in RCW 28C.10.020, or school as defined  
7 in RCW 18.16.020.

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

11 (2) Subject to the availability of amounts appropriated for this  
12 specific purpose, an educational institution must provide to an  
13 enrolled student who has applied for student financial aid a  
14 notification including the following information about the student  
15 education loans the educational institution has certified:

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

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

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

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

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

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

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

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

6 (5) An educational institution may provide the notification  
7 required in subsection (2) of this section in writing, in an  
8 electronic format, or in person.

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

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

17 (8) Subject to the availability of amounts appropriated for this  
18 specific purpose, an organization representing the public four-year  
19 colleges and universities, an organization representing the private  
20 nonprofit institutions, the state board for community and technical  
21 colleges under chapter 28B.50 RCW, the workforce training and  
22 education coordinating board as defined in RCW 28C.18.020, and the  
23 department of licensing under chapter 46.01 RCW, must develop a form  
24 for the educational institutions to use to report compliance by July  
25 1, 2018.

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

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

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