

CERTIFICATION OF ENROLLMENT
SUBSTITUTE SENATE BILL 5022

Chapter 154, Laws of 2017

65th Legislature
2017 Regular Session

STUDENT LOANS--INFORMATIONAL NOTIFICATIONS

EFFECTIVE DATE: 7/23/2017

Passed by the Senate April 13, 2017
Yeas 49 Nays 0

CYRUS HABIB

President of the Senate

Passed by the House April 10, 2017
Yeas 91 Nays 7

FRANK CHOPP

Speaker of the House of Representatives

Approved April 27, 2017 11:12 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5022** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

April 27, 2017

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5022

AS AMENDED BY THE HOUSE

Passed Legislature - 2017 Regular Session

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

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

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

18 (8) Subject to the availability of amounts appropriated for this
19 specific purpose, an organization representing the public four-year
20 colleges and universities, an organization representing the private
21 nonprofit institutions, the state board for community and technical
22 colleges under chapter 28B.50 RCW, the workforce training and
23 education coordinating board as defined in RCW 28C.18.020, and the
24 department of licensing under chapter 46.01 RCW, must develop a form
25 for the educational institutions to use to report compliance by July
26 1, 2018.

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

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

Passed by the Senate April 13, 2017.
Passed by the House April 10, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

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