

119TH CONGRESS  
1ST SESSION

# H. R. 3153

To require a standard financial aid offer form, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2025

Mrs. KIM (for herself and Mr. KRISHNAMOORTHY) introduced the following bill; which was referred to the Committee on Education and Workforce

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## A BILL

To require a standard financial aid offer form, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Understanding the  
5       True Cost of College Act of 2025”.

6       **SEC. 2. FINANCIAL AID OFFER FORM.**

7       Section 484 of the Higher Education Opportunity  
8       Act (20 U.S.C. 1092 note) is amended to read as follows:

9       **“SEC. 484. FINANCIAL AID OFFER FORM.**

10       “(a) **STANDARD FORM AND TERMINOLOGY.**—The  
11       Secretary of Education, in consultation with the heads of

1 relevant Federal agencies, shall develop standard termi-  
2 nology and a standard form for financial aid offers based  
3 on recommendations from representatives of students, vet-  
4 erans, servicemembers, students' families, institutions of  
5 higher education (including community colleges, for-profit  
6 institutions, 4-year public institutions, and 4-year private  
7 nonprofit institutions), financial aid experts, secondary  
8 school and postsecondary counselors, college access profes-  
9 sionals, nonprofit organizations, and consumer groups.

10       “(b) KEY REQUIRED CONTENTS FOR AID OFFER.—  
11 The standard form developed pursuant to subsection (a)  
12 shall be titled ‘Financial Aid Offer’ and shall include the  
13 following items in a consumer-friendly manner that is sim-  
14 ple and understandable, with costs listed first followed by  
15 grants and scholarships, clearly separated from each other  
16 with separate headings:

17               “(1) COST INFORMATION.—

18                       “(A) IN GENERAL.—Information on the  
19 student’s estimated cost of attendance, includ-  
20 ing the following:

21                               “(i) DIRECT COSTS.—The total cost of  
22 all items described in section 472 of the  
23 Higher Education Act of 1965 (20 U.S.C.  
24 1087ll) that are billed to the student by  
25 the institution or otherwise required by the

1 institution for enrollment, including such  
2 total cost disaggregated by the cost of each  
3 such item, including, as determined under  
4 such section—

5 “(I) tuition and fees (and other  
6 required expenses); and

7 “(II) housing and food for a stu-  
8 dent participating in institutionally  
9 owned or operated food services or in-  
10 stitutionally owned or operated hous-  
11 ing.

12 “(ii) INDIRECT COSTS.—The total cost  
13 of all items described in section 472 of the  
14 Higher Education Act of 1965 (20 U.S.C.  
15 10871l) that are not billed to the student  
16 by the institution or otherwise required by  
17 the institution for enrollment, including  
18 such total cost disaggregated by the cost of  
19 each such item, including, as determined  
20 under such section—

21 “(I) the component totals each  
22 for housing and food costs for stu-  
23 dents who reside off-campus or off  
24 campus with family;

1 “(II) books, supplies, equipment,  
2 course materials, and rental or pur-  
3 chase of a personal computer; and

4 “(III) transportation.

5 “(B) ACADEMIC PERIOD.—The academic  
6 period covered by the Financial Aid Offer, and  
7 an explanation that the amount of financial aid  
8 offered may change—

9 “(i) for academic periods not covered  
10 by the Financial Aid Offer; or

11 “(ii) by program.

12 “(C) ENROLLMENT STATUS.—An indica-  
13 tion of whether cost and aid estimates are  
14 based on full-time or part-time enrollment.

15 “(D) ESTIMATED OR SET.—An indication,  
16 as applicable, about whether the tuition and  
17 fees are estimated based on the previous year,  
18 or are set, for the academic period indicated in  
19 accordance with subparagraph (B).

20 “(2) GRANTS AND SCHOLARSHIPS.—The aggre-  
21 gate amount of grants and scholarships, differen-  
22 tiated by source, that the student does not have to  
23 repay, such as grant aid offered under title IV of the  
24 Higher Education Act of 1965 (20 U.S.C. 1070 et  
25 seq.) and grant aid offered through other Federal

1 programs, grant and scholarship aid offered by the  
2 institution, grant and scholarship aid offered by the  
3 State, and, if known, grant and scholarship aid from  
4 an outside source to the student for such academic  
5 period, including—

6 “(A) a disclosure that the grants and  
7 scholarships do not have to be repaid; and

8 “(B) if institutional aid is included—

9 “(i) the conditions under which the  
10 student can expect to receive similar  
11 amounts of such financial aid for each aca-  
12 demic period the student is enrolled at the  
13 institution; and

14 “(ii) whether the institutional aid  
15 offer may change if grants or scholarships  
16 from outside sources are applied after the  
17 student receives the Financial Aid Offer,  
18 and, if applicable, how that aid will  
19 change.

20 “(3) NET PRICE.—

21 “(A) IN GENERAL.—The net price that the  
22 student, or the student’s family on behalf of the  
23 student, is estimated to have to pay for the stu-  
24 dent to attend the institution for such academic  
25 period, equal to—

1 “(i) the cost of attendance as de-  
2 scribed in paragraph (1)(A) for the stu-  
3 dent for the period indicated in paragraph  
4 (1)(B); minus

5 “(ii) the amount of grant and scholar-  
6 ship aid described in paragraph (2) that is  
7 included in the Financial Aid Offer.

8 “(B) DISCLOSURE.—A disclosure that the  
9 net price is an estimate of the total expenses  
10 for the year and not equivalent to the amount  
11 the student will owe directly to the institution.

12 “(4) LOANS.—

13 “(A) IN GENERAL.—Information on any  
14 loan under part D of title IV of the Higher  
15 Education Act of 1965 (20 U.S.C. 1087a et  
16 seq.) (except a Federal Direct PLUS Loan  
17 under part D of that Act) that the institution  
18 recommends for the student for the academic  
19 period covered by the Financial Aid Offer,  
20 which shall be made—

21 “(i) with clear use of the word ‘loan’  
22 to describe the recommended loan  
23 amounts; and

24 “(ii) with clear labeling of subsidized  
25 and unsubsidized loans.

1           “(B) DISCLOSURE ON REPAYMENT.—A  
2 disclosure that such loans have to be repaid and  
3 a disclosure that the student can borrow a less-  
4 er or, if applicable, greater amount than the  
5 recommended loan amount.

6           “(C) DISCLOSURE ON INTEREST RATES  
7 AND FEES.—A disclosure that the interest rates  
8 and fees on such loans are set annually and af-  
9 fect total cost over time, and a link to a De-  
10 partment of Education website that includes  
11 current information on interest rates and fees.

12           “(D) LINK TO REPAYMENT CALCU-  
13 LATOR.—A link to the Department of Edu-  
14 cation’s repayment calculator website for stu-  
15 dents with instruction that this website contains  
16 customizable estimates of expected repayment  
17 costs under different loan repayment plans.

18           “(5) PROCESS FOR ACCEPTING, ADJUSTING, OR  
19 DECLINING AID AND NEXT STEPS.—

20           “(A) IN GENERAL.—The deadlines and a  
21 summary of the process (including the next  
22 steps) for—

23                   “(i) accepting the financial aid of-  
24 fered;

1 “(ii) adjusting the amount of financial  
2 aid offered; and

3 “(iii) declining the financial aid of-  
4 fered.

5 “(B) INFORMATION ON PAYING COSTS.—  
6 Information on when and how costs described  
7 in paragraph (1)(A)(i) must be paid, including  
8 a clear indication of whether such cost is re-  
9 quired or optional for the student.

10 “(C) DISCLOSURE ON VERIFICATION OF  
11 INFORMATION.—A disclosure that verification  
12 of information provided on the Free Application  
13 for Federal Student Aid may require the stu-  
14 dent to submit further documentation.

15 “(D) CONTACT INFORMATION.—Informa-  
16 tion about where a student or the student’s  
17 family can seek additional information regard-  
18 ing the financial aid offered, including contact  
19 information for the institution’s financial aid of-  
20 fice and the Department of Education’s website  
21 on financial aid.

22 “(6) ADDITIONAL INFORMATION.—Any other  
23 information the Secretary of Education, in consulta-  
24 tion with the heads of relevant Federal agencies, in-  
25 cluding the Secretary of the Treasury and the Direc-



1       tor of the Bureau of Consumer Financial Protection,  
2       determines necessary (based on the results of the  
3       consumer testing under subsection (g)(2)) so that  
4       students and parents can make informed loan bor-  
5       rowing decisions, which may include—

6               “(A) the most recent cohort default rate,  
7               as defined in section 435(m) of the Higher  
8               Education Act of 1965 (20 U.S.C. 1085(m)),  
9               with respect to an institution where more than  
10              30 percent of enrolled students borrow loans to  
11              pay for their education, and a comparison to  
12              the national average cohort default rate;

13              “(B) the percentage of students at the in-  
14              stitution who borrow student loans;

15              “(C) the median loan debt at graduation  
16              for students at the institution (clearly marked  
17              as including only Federal loans if private loan  
18              data are not available to be included); and

19              “(D) any additional calculations deter-  
20              mined necessary for ensuring that students un-  
21              derstand full college costs, financial aid gaps,  
22              and options for covering those gaps.

23       “(c) OTHER REQUIRED CONTENTS FOR FINANCIAL  
24       AID OFFER.—The standard form developed under sub-  
25       section (a) shall include, in addition to the information

1 described in subsection (b), to be included on the Finan-  
2 cial Aid Offer in a concise format determined by the Sec-  
3 retary of Education, in consultation with the heads of rel-  
4 evant Federal agencies and the individuals and entities de-  
5 scribed in subsection (a), the following information:

6 “(1) ADDITIONAL OPTIONS.—At the institu-  
7 tion’s discretion—

8 “(A) additional options and potential re-  
9 sources for paying for the amount listed in sub-  
10 section (b)(3), such as tuition payment plans  
11 and the terms and conditions of those plans;  
12 and

13 “(B) a disclosure that Federal Direct  
14 PLUS Loans made under part D of title IV of  
15 the Higher Education Act of 1965 (20 U.S.C.  
16 1087a et seq.), private education loans, or other  
17 financing products may be available to cover re-  
18 maining need, except that the institution—

19 “(i) may not include an amount for  
20 such Federal Direct PLUS Loans, private  
21 education loans, or other financing prod-  
22 ucts; and

23 “(ii) shall include a disclosure that  
24 such loans and agreements—

1 “(I) are subject to an additional  
2 application process and have to be re-  
3 paid by the borrower;

4 “(II) may not be eligible for all  
5 the benefits available for Federal Di-  
6 rect Stafford Loans or Federal Direct  
7 Unsubsidized Stafford Loans.

8 “(2) INFORMATION ON PRIVATE EDUCATION  
9 LOANS AND OTHER FINANCING PRODUCTS.—The fol-  
10 lowing information relating to private education  
11 loans and other financing products:

12 “(A) A disclosure that students consid-  
13 ering borrowing to cover the cost of attendance  
14 should consider available Federal student loans  
15 prior to applying for private education loans or  
16 other financing products, including an expla-  
17 nation that Federal student loans offer gen-  
18 erally more favorable terms and beneficial re-  
19 payment options than private education loans  
20 and other financing products.

21 “(B) The impact of a proposed private  
22 education loan or other financing product on  
23 the student’s potential eligibility for other fi-  
24 nancial assistance, including Federal financial

1 assistance under title IV of the Higher Edu-  
2 cation Act of 1965 (20 U.S.C. 1070 et seq.).

3 “(C) A statement explaining the student’s  
4 ability to select a private educational lender or  
5 other financing product provider of the stu-  
6 dent’s choice.

7 “(3) STUDENT EMPLOYMENT.—Information on  
8 work-study employment opportunities offered in ac-  
9 cordance with part C of title IV of the Higher Edu-  
10 cation Act of 1965 (20 U.S.C. 1087–51 et seq.), in-  
11 stitutional work-study programs, or State work-  
12 study programs, including—

13 “(A) the maximum annual amount the stu-  
14 dent may earn through the program; and

15 “(B) a disclosure that any work-study  
16 amount offered may be—

17 “(i) subject to the availability of quali-  
18 fied employment opportunities upon the  
19 student’s enrollment; and

20 “(ii) disbursed over time as earned by  
21 the student.

22 “(d) ADDITIONAL REQUIREMENTS FOR FINANCIAL  
23 AID OFFERS.—Each Financial Aid Offer shall meet the  
24 following requirements:

1 “(1) Include, in addition to the requirements  
2 described in subsections (b) and (c), a concise sum-  
3 mary, in plain language, of—

4 “(A) the terms and conditions of financial  
5 aid recommended under paragraphs (2) and (4)  
6 of subsection (b) and subsection (c)(3), and a  
7 method to provide students with additional in-  
8 formation about such terms and conditions,  
9 such as links to the supplementary information;  
10 and

11 “(B) Federal, State, or institutional condi-  
12 tions required to receive and renew financial aid  
13 and a method to provide students with addi-  
14 tional information about these conditions, such  
15 as links to the supplementary information.

16 “(2) Clearly distinguish between the aid offered  
17 under paragraphs (2) and (4) of subsection (b) and  
18 subsection (c)(3), by including a subtotal for the aid  
19 offered in each of such paragraphs and by refraining  
20 from commingling the different types of aid de-  
21 scribed in such paragraphs.

22 “(3) Use standard terminology and definitions,  
23 as described in subsection (e)(1) and use plain lan-  
24 guage where possible.

1           “(4) If an institution’s recommended Federal  
2           student loan aid offered in subsection (b)(4) is less  
3           than the Federal maximum available to the student,  
4           the institution shall provide additional information  
5           on Federal student loans, including the types and  
6           amounts for which the student is eligible in an at-  
7           tached document or web page.

8           “(5) Use the standard offer form described in  
9           subsection (e)(2).

10          “(6) Include the standardized statement regard-  
11          ing the possible availability of Federal education  
12          benefits, as established by the Secretary in accord-  
13          ance with subsection (e)(3).

14          “(7) Include a delivery confirmation for elec-  
15          tronic Financial Aid Offers, except that receipt of  
16          the Financial Aid Offer shall not be considered an  
17          acceptance or rejection of aid by the student.

18          “(8) With respect to dependent students, any  
19          reference to private education loans shall be accom-  
20          panied by—

21                 “(A) information about the availability of,  
22                 and terms and conditions associated with, Fed-  
23                 eral Direct PLUS Loans under section 455 of  
24                 the Higher Education Act of 1965 (20 U.S.C.

1           1087e) for the student’s parents regardless of  
2           family income; and

3           “(B) a notification of the student’s in-  
4           creased eligibility for Federal student loans  
5           under title IV of the Higher Education Act of  
6           1965 (20 U.S.C. 1070 et seq.) if the student’s  
7           parents are not able to borrow under the Fed-  
8           eral Direct PLUS Loan program.

9           “(e) STANDARD INFORMATION ESTABLISHED BY  
10          THE SECRETARY.—

11           “(1) STANDARD TERMINOLOGY AND DEFINI-  
12          TIONS.—Not later than 3 months after the date of  
13          enactment of the Understanding the True Cost of  
14          College Act of 2025, the Secretary of Education, in  
15          consultation with the heads of relevant Federal  
16          agencies, including the Secretary of the Treasury  
17          and the Director of the Consumer Financial Protec-  
18          tion Bureau, and the individuals and entities de-  
19          scribed in subsection (a), shall establish standard  
20          terminology and definitions for the terms described  
21          in subsection (b).

22           “(2) STANDARD FORM.—

23           “(A) IN GENERAL.—The Secretary of Edu-  
24          cation shall develop multiple draft financial aid  
25          offer forms for consumer testing, carry out con-

1 consumer testing for such forms, and establish a fi-  
2 nalized standard financial aid offer form, in ac-  
3 cordance with the process established under  
4 subsection (g) and the requirements of this sec-  
5 tion.

6 “(B) SEPARATE FINANCIAL AID OFFER  
7 FORMS.—The Secretary may develop separate  
8 financial aid offer forms for—

9 “(i) undergraduate students and grad-  
10 uate students; and

11 “(ii) first-time students and returning  
12 students.

13 “(3) ADDITIONAL BENEFITS.—The Secretary of  
14 Education, in consultation with the heads of relevant  
15 Federal agencies, including the Secretary of the  
16 Treasury, the Secretary of Veterans Affairs, the Sec-  
17 retary of Defense, and the Director of the Consumer  
18 Financial Protection Bureau, shall establish stand-  
19 ard language notifying students that they may be el-  
20 igible for education benefits (and where students can  
21 locate more information about such benefits) includ-  
22 ing benefits in accordance with each of the following:

23 “(A) Chapter 30, 31, 32, 33, 34, or 35 of  
24 title 38, United States Code.



1                   “(B) Chapter 101, 105, 106A, 1606, 1607,  
2                   or 1608 of title 10, United States Code.

3                   “(C) Section 1784a, 2005, or 2007 of title  
4                   10, United States Code.

5           “(f) SUPPLEMENTAL INFORMATION; REMOVAL OF  
6 INFORMATION.—

7                   “(1) SUPPLEMENTAL INFORMATION.—Nothing  
8                   in this section shall preclude an institution from  
9                   supplementing the Financial Aid Offer with addi-  
10                  tional information if such additional information uti-  
11                  lizes the same standard terminology identified in  
12                  subsection (e)(1) and does not misrepresent costs, fi-  
13                  nancial aid offered, or net price.

14                  “(2) REMOVAL OF INFORMATION.—Nothing in  
15                  this section shall preclude an institution from delet-  
16                  ing a required item on a Financial Aid Offer if—

17                               “(A) the student is ineligible for such item;

18                               “(B) the institution does not participate in  
19                               the program related to such item; or

20                               “(C) the cost of attendance item is not ap-  
21                               plicable to the student.

22           “(g) DEVELOPMENT OF FINANCIAL AID OFFER  
23 FORM.—

24                   “(1) DRAFT FORM.—Not later than 9 months  
25                  after the date of enactment of the Understanding

1 the True Cost of College Act of 2025, the Secretary  
2 of Education, in consultation with the heads of rel-  
3 evant Federal agencies, including the Secretary of  
4 the Treasury and the Director of the Consumer Fi-  
5 nancial Protection Bureau, and the individuals and  
6 entities described in subsection (a), shall design and  
7 produce multiple draft financial aid offer forms for  
8 consumer testing with postsecondary students or  
9 prospective students. In developing that form, the  
10 Secretary shall ensure—

11 “(A) that the headings described in para-  
12 graphs (1) through (4) of subsection (b) are in  
13 the same font, appear in the same order, and  
14 are displayed prominently on the financial aid  
15 offer form, such that none of that information  
16 is inappropriately omitted or de-emphasized;

17 “(B) that the other information required  
18 in subsection (b) appears in a standard format  
19 and design on the Financial Aid Offer; and

20 “(C) that the institution may include a  
21 logo or brand alongside the title of the Finan-  
22 cial Aid Offer.

23 “(2) CONSUMER TESTING.—

24 “(A) IN GENERAL.—Not later than 9  
25 months after the date of enactment of the Un-

1           derstanding the True Cost of College Act of  
2           2025, the Secretary of Education, in consulta-  
3           tion with the heads of relevant Federal agen-  
4           cies, shall establish a process to submit the fi-  
5           nancial aid offer form drafts developed under  
6           paragraph (1) for consumer testing among rep-  
7           resentatives of students (including low-income  
8           students, first-generation college students, adult  
9           students, veterans, servicemembers, and pro-  
10          spective students), students' families (including  
11          low-income families, families with first-genera-  
12          tion college students, and families with prospec-  
13          tive students), institutions of higher education,  
14          secondary school and postsecondary counselors,  
15          and nonprofit consumer groups.

16               “(B) PILOT.—During such consumer test-  
17          ing, the Secretary shall ensure that not less  
18          than 16 and not more than 24 eligible institu-  
19          tions use the draft forms developed under para-  
20          graph (1), including institutions—

21                   “(i) that reflect a proportionate rep-  
22                  resentation (based on the total number of  
23                  students enrolled in postsecondary edu-  
24                  cation) of community colleges, for-profit

1 institutions, 4-year public institutions, and  
2 4-year private nonprofit institutions; and

3 “(ii) that reflect geographic diversity.

4 “(C) LENGTH OF CONSUMER TESTING.—

5 The Secretary of Education shall ensure that  
6 the consumer testing under this paragraph lasts  
7 no longer than 8 months after the process for  
8 consumer testing is developed under subpara-  
9 graph (A).

10 “(3) FINAL FORM.—

11 “(A) IN GENERAL.—The results of con-  
12 sumer testing under paragraph (2) shall be  
13 used in the final development of the financial  
14 aid offer form.

15 “(B) REPORTING REQUIREMENT.—Not  
16 later than 3 months after the date the con-  
17 sumer testing under paragraph (2) concludes,  
18 the Secretary of Education shall submit to Con-  
19 gress and publish on its website the final stand-  
20 ard financial aid offer form and a report detail-  
21 ing the results of such testing, including wheth-  
22 er the Secretary of Education added any addi-  
23 tional items to the standard financial aid offer  
24 form pursuant to subsection (b)(6).

1           “(4) **AUTHORITY TO MODIFY.**—The Secretary  
2           of Education may modify or remove the definitions,  
3           terms, formatting, or design of the financial aid  
4           offer form based on the results of consumer testing  
5           required under this subsection and before finalizing  
6           the form, or in subsequent consumer testing. The  
7           Secretary may also recommend additional changes to  
8           Congress.”.

9   **SEC. 3. MANDATORY FORM.**

10          Part B of title I of the Higher Education Act of 1965  
11   (20 U.S.C. 1011 et seq.) is amended by adding at the end  
12   the following:

13   **“SEC. 124. USE OF MANDATORY FINANCIAL AID OFFER**  
14                   **FORM AND TERMS.**

15          “(a) **IN GENERAL.**—Notwithstanding any other pro-  
16   vision of law, each institution of higher education that re-  
17   ceives Federal financial assistance under this Act shall—

18               “(1) use the financial aid offer form developed  
19               under section 484 of the Higher Education Oppor-  
20               tunity Act (20 U.S.C. 1092 note) in providing  
21               paper, mobile-optimized offers, or other electronic of-  
22               fers to all students who apply for aid and are accept-  
23               ed at the institution; and

24               “(2) use the standard terminology and defini-  
25               tions developed by the Secretary of Education under

1 subsection (e)(1) of such section 484 for all commu-  
2 nications from the institution related to Financial  
3 Aid Offers.

4 “(b) EFFECTIVE DATES.—The requirements under  
5 this section shall take effect at the start of the first award  
6 year after the Secretary of Education finalizes the stand-  
7 ard terminology and form developed in accordance with  
8 section 484 of the Higher Education Opportunity Act (20  
9 U.S.C. 1092 note).

10 “(c) ADMINISTRATIVE PROCEDURES.—Section 492  
11 shall not apply with respect to regulations promulgated  
12 in accordance with this section.”.

○