

EMPOWERING STUDENTS THROUGH ENHANCED  
FINANCIAL COUNSELING ACT

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JULY 11, 2016.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

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Mr. KLINE, from the Committee on Education and the Workforce,  
submitted the following

R E P O R T

[To accompany H.R. 3179]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and the Workforce, to whom was referred the bill (H.R. 3179) to amend the loan counseling requirements under the Higher Education Act of 1965, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Empowering Students Through Enhanced Financial Counseling Act”.

**SEC. 2. ANNUAL COUNSELING.**

Section 485(l) of the Higher Education Act of 1965 (20 U.S.C. 1092(l)) is amended to read as follows:

“(l) ANNUAL FINANCIAL AID COUNSELING.—

“(1) ANNUAL DISCLOSURE REQUIRED.—

“(A) IN GENERAL.—Each eligible institution shall ensure that each individual who receives a Federal Pell Grant or a loan made under part D (other than a Federal Direct Consolidation Loan) receives comprehensive information on the terms and conditions of such Federal Pell Grant or loan and the responsibilities the individual has with respect to such Federal Pell Grant or loan. Such information shall be provided, for each award year for which the individual receives such Federal Pell Grant or loan, in a simple and understandable manner—

“(i) during a counseling session conducted in person;

“(ii) online, with the individual acknowledging receipt of the information; or

“(iii) through the use of the online counseling tool described in subsection (n)(1)(B).

“(B) USE OF INTERACTIVE PROGRAMS.—In the case of institutions not using the online counseling tool described in subsection (n)(1)(B), the Secretary shall require such institutions to carry out the requirements of subparagraph (A) through the use of interactive programs, during an annual counseling session that is in-person or online, that test the individual’s understanding of the terms and conditions of the Federal Pell Grant or loan awarded to the individual, using simple and understandable language and clear formatting.

“(2) ALL INDIVIDUALS.—The information to be provided under paragraph (1)(A) to each individual receiving counseling under this subsection shall include the following:

“(A) An explanation of how the individual may budget for typical educational expenses and a sample budget based on the cost of attendance for the institution.

“(B) An explanation that an individual has a right to annually request a disclosure of information collected by a consumer reporting agency pursuant to section 612(a) of the Fair Credit Reporting Act (15 U.S.C. 1681j(a)).

“(C) Based on the most recent data available from the American Community Survey available from the Department of Commerce, the estimated average income and percentage of employment in the State of domicile of the individual for individuals with—

“(i) a high school diploma or equivalent;

“(ii) some post-secondary education without completion of a degree or certificate; and

“(iii) a bachelor’s degree.

“(D) An introduction to the financial management resources provided by the Financial Literacy and Education Commission.

“(3) STUDENTS RECEIVING FEDERAL PELL GRANTS.—The information to be provided under paragraph (1)(A) to each student receiving a Federal Pell Grant shall include the following:

“(A) An explanation of the terms and conditions of the Federal Pell Grant.

“(B) An explanation of approved educational expenses for which the student may use the Federal Pell Grant.

“(C) An explanation of why the student may have to repay the Federal Pell Grant.

“(D) An explanation of the maximum number of semesters or equivalent for which the student may be eligible to receive a Federal Pell Grant, and a statement of the amount of time remaining for which the student may be eligible to receive a Federal Pell Grant.

“(E) An explanation that if the student transfers to another institution not all of the student’s courses may be acceptable in transfer toward meeting specific degree or program requirements at such institution, but the amount of time remaining for which a student may be eligible to receive a Federal Pell Grant, as provided under subparagraph (D), will not change.

“(F) An explanation of how the student may seek additional financial assistance from the institution’s financial aid office due to a change in the student’s financial circumstances, and the contact information for such office.

“(4) BORROWERS RECEIVING LOANS MADE UNDER PART D (OTHER THAN PARENT PLUS LOANS).—The information to be provided under paragraph (1)(A) to a borrower of a loan made under part D (other than a Federal Direct PLUS Loan made on behalf of a dependent student) shall include the following:

“(A) To the extent practicable, the effect of accepting the loan to be disbursed on the eligibility of the borrower for other forms of student financial assistance.

“(B) An explanation of the use of the master promissory note.

“(C) An explanation that the borrower is not required to accept the full amount of the loan offered to the borrower.

“(D) An explanation that the borrower should consider accepting any grant, scholarship, or State or Federal work-study jobs for which the borrower is eligible prior to accepting Federal student loans.

“(E) A recommendation to the borrower to exhaust the borrower’s Federal student loan options prior to taking out private education loans, an explanation that Federal student loans typically offer better terms and conditions than private education loans, an explanation of treatment of loans made under part D and private education loans in bankruptcy, and an explanation that if a borrower decides to take out a private education loan—

“(i) the borrower has the ability to select a private educational lender of the borrower’s choice;

“(ii) the proposed private education loan may impact the borrower’s potential eligibility for other financial assistance, including Federal financial assistance under this title; and

“(iii) the borrower has a right—

“(I) to accept the terms of the private education loan within 30 calendar days following the date on which the application for such loan is approved and the borrower receives the required disclosure documents, pursuant to section 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e)); and

“(II) to cancel such loan within 3 business days of the date on which the loan is consummated, pursuant to section 128(e)(7) of such Act (15 U.S.C. 1638(e)(7)).

“(F) An explanation of the approved educational expenses for which the borrower may use a loan made under part D.

“(G) Information on the annual and aggregate loan limits for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans.

“(H) Information on how interest accrues and is capitalized during periods when the interest is not paid by either the borrower or the Secretary.

“(I) In the case of a Federal Direct PLUS Loan or a Federal Direct Unsubsidized Stafford Loan, the option of the borrower to pay the interest while the borrower is in school.

“(J) The definition of half-time enrollment at the institution, during regular terms and summer school, if applicable, and the consequences of not maintaining at least half-time enrollment.

“(K) An explanation of the importance of contacting the appropriate offices at the institution of higher education if the borrower withdraws prior to completing the borrower’s program of study so that the institution can provide exit counseling, including information regarding the borrower’s repayment options and loan consolidation.

“(L) For a first-time borrower—

“(i) a statement of the anticipated balance on the loan for which the borrower is receiving counseling under this subsection;

“(ii) based on such anticipated balance, the anticipated monthly payment amount under, at minimum—

“(I) the standard repayment plan; and

“(II) an income-based repayment plan under section 493C, as determined using regionally available data from the Bureau of Labor Statistics of the average starting salary for the occupation in which the borrower has an interest in or intends to be employed; and

“(iii) an estimate of the projected monthly payment amount under each repayment plan described in clause (ii), based on the average cumulative indebtedness at graduation for borrowers of loans made under part D who are in the same program of study as the borrower.

“(M) For a borrower with an outstanding balance of principal or interest due on a loan made under this title—

“(i) a current statement of the amount of such outstanding balance and interest accrued;

“(ii) based on such outstanding balance, the anticipated monthly payment amount under, at minimum, the standard repayment plan and, using regionally available data from the Bureau of Labor Statistics of the average starting salary for the occupation the borrower intends to be employed, an income-based repayment plan under section 493C; and

“(iii) an estimate of the projected monthly payment amount under each repayment plan described in clause (ii), based on—

“(I) the outstanding balance described in clause (i);

“(II) the anticipated outstanding balance on the loan for which the student is receiving counseling under this subsection; and

“(III) a projection for any other loans made under part D that the borrower is reasonably expected to accept during the borrower’s program of study based on at least the expected increase in the cost of attendance of such program.

“(N) The obligation of the borrower to repay the full amount of the loan, regardless of whether the borrower completes or does not complete the program in which the borrower is enrolled within the regular time for program completion.

“(O) The likely consequences of default on the loan, including adverse credit reports, delinquent debt collection procedures under Federal law, and

litigation, and a notice of the institution's most recent cohort default rate (defined in section 435(m)), an explanation of the cohort default rate, the most recent national average cohort default rate, and the most recent national average cohort default rate for the category of institution described in section 435(m)(4) to which the institution belongs.

“(P) Information on the National Student Loan Data System and how the borrower can access the borrower's records.

“(Q) The contact information for the institution's financial aid office or other appropriate office at the institution the borrower may contact if the borrower has any questions about the borrower's rights and responsibilities or the terms and conditions of the loan.

“(5) BORROWERS RECEIVING PARENT PLUS LOANS FOR DEPENDENT STUDENTS.—The information to be provided under paragraph (1)(A) to a borrower of a Federal Direct PLUS Loan made on behalf of a dependent student shall include the following:

“(A) The information described in subparagraphs (A) through (C) and (N) through (Q) of paragraph (4).

“(B) The option of the borrower to pay the interest on the loan while the loan is in deferment.

“(C) For a first-time borrower of such loan—

“(i) a statement of the anticipated balance on the loan for which the borrower is receiving counseling under this subsection;

“(ii) based on such anticipated balance, the anticipated monthly payment amount under the standard repayment plan; and

“(iii) an estimate of the projected monthly payment amount under the standard repayment plan, based on the average cumulative indebtedness of other borrowers of Federal Direct PLUS Loans made on behalf of dependent students who are in the same program of study as the student on whose behalf the borrower borrowed the loan.

“(D) For a borrower with an outstanding balance of principal or interest due on such loan—

“(i) a statement of the amount of such outstanding balance;

“(ii) based on such outstanding balance, the anticipated monthly payment amount under the standard repayment plan; and

“(iii) an estimate of the projected monthly payment amount under the standard repayment plan, based on—

“(I) the outstanding balance described in clause (i);

“(II) the anticipated outstanding balance on the loan for which the borrower is receiving counseling under this subsection; and

“(III) a projection for any other Federal Direct PLUS Loan made on behalf of the dependent student that the borrower is reasonably expected to accept during the program of study of such student based on at least the expected increase in the cost of attendance of such program.

“(E) Debt management strategies that are designed to facilitate the repayment of such indebtedness.

“(F) An explanation that the borrower has the options to prepay each loan, pay each loan on a shorter schedule, and change repayment plans.

“(G) For each Federal Direct PLUS Loan made on behalf of a dependent student for which the borrower is receiving counseling under this subsection, the contact information for the loan servicer of the loan and a link to such servicer's Website.

“(6) ANNUAL LOAN ACCEPTANCE.—Prior to making the first disbursement of a loan made under part D (other than a Federal Direct Consolidation Loan) to a borrower for an award year, an eligible institution, shall, as part of carrying out the counseling requirements of this subsection for the loan, ensure that after receiving the applicable counseling under paragraphs (2), (4), and (5) for the loan the borrower accepts the loan for such award year by—

“(A) signing the master promissory note for the loan;

“(B) signing and returning to the institution a separate written statement that affirmatively states that the borrower accepts the loan; or

“(C) electronically signing an electronic version of the statement described in subparagraph (B).”.

### SEC. 3. EXIT COUNSELING.

Section 485(b) of the Higher Education Act of 1965 (20 U.S.C. 1092(b)) is amended—

(1) in paragraph (1)(A)—

(A) in the matter preceding clause (i), by striking “through financial aid offices or otherwise” and inserting “through the use of an interactive program, during an exit counseling session that is in-person or online, or through the use of the online counseling tool described in subsection (n)(1)(A)”;

(B) by redesignating clauses (i) through (ix) as clauses (iv) through (xii), respectively;

(C) by inserting before clause (iv), as so redesignated, the following:

“(i) a summary of the outstanding balance of principal and interest due on the loans made to the borrower under part B, D, or E;

“(ii) an explanation of the grace period preceding repayment and the expected date that the borrower will enter repayment;

“(iii) an explanation that the borrower has the option to pay any interest that has accrued while the borrower was in school or that may accrue during the grace period preceding repayment or during an authorized period of deferment or forbearance, prior to the capitalization of the interest;”;

(D) in clause (iv), as so redesignated—

(i) by striking “sample information showing the average” and inserting “information, based on the borrower’s outstanding balance described in clause (i), showing the borrower’s”; and

(ii) by striking “of each plan” and inserting “of at least the standard repayment plan and the income-based repayment plan under section 493C”;

(E) in clause (ix), as so redesignated—

(i) by inserting “decreased credit score,” after “credit reports,”; and

(ii) by inserting “reduced ability to rent or purchase a home or car, potential difficulty in securing employment,” after “Federal law,”;

(F) in clause (x), as so redesignated, by striking “consolidation loan under section 428C or a”;

(G) in clauses (xi) and (xii), as so redesignated, by striking “and” at the end; and

(H) by adding at the end the following:

“(xiii) for each of the borrower’s loans made under part B, D, or E for which the borrower is receiving counseling under this subsection, the contact information for the loan servicer of the loan and a link to such servicer’s Website; and

“(xiv) an explanation that an individual has a right to annually request a disclosure of information collected by a consumer reporting agency pursuant to section 612(a) of the Fair Credit Reporting Act (15 U.S.C. 1681j(a)).”;

(2) in paragraph (1)(B)—

(A) by inserting “online or” before “in writing”; and

(B) by adding before the period at the end the following: “, except that in the case of an institution using the online counseling tool described in subsection (n)(1)(A), the Secretary shall attempt to provide such information to the student in the manner described in subsection (n)(3)(C)”;

(3) in paragraph (2)(C), by inserting “, such as the online counseling tool described in subsection (n)(1)(A),” after “electronic means”.

#### SEC. 4. ONLINE COUNSELING TOOLS.

Section 485 of the Higher Education Act of 1965 (20 U.S.C. 1092) is further amended by adding at the end the following:

“(n) ONLINE COUNSELING TOOLS.—

“(1) IN GENERAL.—Beginning not later than 1 year after the date of enactment of the Empowering Students Through Enhanced Financial Counseling Act, the Secretary shall maintain—

“(A) an online counseling tool that provides the exit counseling required under subsection (b) and meets the applicable requirements of this subsection; and

“(B) an online counseling tool that provides the annual counseling required under subsection (l) and meets the applicable requirements of this subsection.

“(2) REQUIREMENTS OF TOOLS.—In maintaining the online counseling tools described in paragraph (1), the Secretary shall ensure that each such tool is—

“(A) consumer tested, in consultation with other relevant Federal agencies, to ensure that the tool is effective in helping individuals understand their rights and obligations with respect to borrowing a loan made under part D or receiving a Federal Pell Grant;

“(B) understandable to students receiving Federal Pell Grants and borrowers of loans made under part D; and

“(C) freely available to all eligible institutions.

“(3) RECORD OF COUNSELING COMPLETION.—The Secretary shall—

“(A) use each online counseling tool described in paragraph (1) to keep a record of which individuals have received counseling using the tool, and notify the applicable institutions of the individual’s completion of such counseling;

“(B) in the case of a borrower who receives annual counseling for a loan made under part D using the tool described in paragraph (1)(B), notify the borrower by when the borrower should accept, in a manner described in subsection (1)(6), the loan for which the borrower has received such counseling; and

“(C) in the case of a borrower described in subsection (b)(1)(B) at an institution that uses the online counseling tool described in paragraph (1)(A) of this subsection, the Secretary shall attempt to provide the information described in subsection (b)(1)(A) to the borrower through such tool.”

**SEC. 5. LONGITUDINAL STUDY ON THE EFFECTIVENESS OF STUDENT LOAN COUNSELING.**

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Education, acting through the Director of the Institute of Education Sciences, shall begin conducting a rigorous, longitudinal study of the impact and effectiveness of the student loan counseling—

(1) provided under subsections (b), (l), and (n) of section 485 of the Higher Education Act of 1965 (20 U.S.C. 1092), as amended by this Act; and

(2) provided through such other means as the Secretary of Education may determine.

(b) CONTENTS.—

(1) BORROWER INFORMATION.—The longitudinal study carried out under subsection (a) shall include borrower information, in the aggregate and disaggregated by race, ethnicity, gender, income, and status as an individual with a disability, on—

(A) student persistence;

(B) degree attainment;

(C) program completion;

(D) successful entry into student loan repayment;

(E) cumulative borrowing levels; and

(F) such other factors as the Secretary of Education may determine.

(2) EXCEPTION.—The disaggregation under paragraph (1) shall not be required in a case in which the number of borrowers in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual borrower.

(c) INTERIM REPORTS.—Not later than 18 months after the commencement of the study under subsection (a), and annually thereafter, the Secretary of Education shall evaluate the progress of the study and report any short-term findings to the appropriate committees of Congress.

**SEC. 6. AVAILABILITY OF FUNDS.**

(a) USE OF EXISTING FUNDS.—Of the amount authorized to be appropriated for maintaining the Department of Education’s Financial Awareness Counseling Tool, \$2,000,000 shall be available to carry out this Act and the amendments made by this Act.

(b) NO ADDITIONAL FUNDS AUTHORIZED.—No funds are authorized to be appropriated by this Act to carry out this Act or the amendments made by this Act.

**PURPOSE**

H.R. 3179, the *Empowering Students through Enhanced Financial Counseling Act*, promotes financial literacy through enhanced counseling for recipients of federal financial aid.

**COMMITTEE ACTION**

As the Committee on Education and the Workforce (Committee) continues the *Higher Education Act* reauthorization process, increasing transparency and usefulness of higher education data; simplifying and improving the federal student aid programs; and promoting innovation, access, and completion remain top priorities.

*Hearings—First session*

On March 1, 2011, the Committee held a hearing in Washington, D.C., on “Education Regulations: Weighing the Burden on Schools and Students.” The hearing was the first in a series examining the burden of federal, state, and local regulations on the nation’s education system. The purpose of the hearing was to uncover the damaging effects of federal regulations on schools and institutions. These rules increasingly stifle growth and innovation, raise operating costs, and limit student access to affordable colleges and universities throughout the nation. Testifying before the Committee were Dr. Edgar Hatrick, Superintendent, Loudon County Public Schools, Ashburn, Virginia; Ms. Kati Haycock, President, The Education Trust, Washington, D.C.; Mr. Gene Wilhoit, Executive Director, Council of Chief State School Officers, Washington, D.C.; and Mr. Christopher B. Nelson, President, St. John’s College, Annapolis, Maryland.

On March 11, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Education Regulations: Federal Overreach into Academic Affairs.” The purpose of the hearing was to discuss the most egregious and intrusive pieces of the program integrity regulations issued by the U.S. Department of Education, specifically, the state authorization regulation and the credit hour regulation, and to uncover the unintended consequences of the regulations to states and institutions of higher education. Testifying before the Subcommittee were Mr. John Ebersole, President, Excelsior College, Albany, New York; Dr. G. Blair Dowden, President, Huntington University, Huntington, Indiana; The Honorable Kathleen Tighe, Inspector General, U.S. Department of Education, Washington, D.C.; and Mr. Ralph Wolff, President, Western Association of Schools and Colleges, Alameda, California.

On March 17, 2011, the Committee held a hearing in Washington, D.C., on “Education Regulations: Roadblocks to Student Choice in Higher Education.” The purpose of the hearing was to explore the harmful consequences of the gainful employment regulation issued by the U.S. Department of Education. Testifying before the Committee were Ms. Catherine Barreto, Graduate, Monroe College, and Senior Sales Associate, Doubletree Hotels, Brooklyn, New York; Mr. Travis Jennings, Electrical Supervisor of the Manufacturing Launch Systems Group, Orbital Sciences Corporation, Chandler, Arizona; Dr. Arnold Mitchem, President, Council for Opportunity in Education, Washington, D.C.; and Ms. Jeanne Herrmann, Chief Operating Officer, Globe University/Minnesota School of Business, Woodbury, Minnesota.

On March 21, 2011, the Committee held a hearing in Wilkes-Barre, Pennsylvania, on “Reviving our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight work by local colleges and universities to respond to local and state economic needs. Testifying before the Committee were Mr. James Perry, President, Hazelton City Council, Hazelton, Pennsylvania; Mr. Jeffrey Alesson, Vice President of Strategic Planning and Quality Assurance, Diamond Manufacturing, Exeter, Pennsylvania; Dr. Reynold Verret, Provost, Wilkes

University, Wilkes-Barre, Pennsylvania; Mr. Raymond Angeli, President, Lackawanna College, Scranton, Pennsylvania; Ms. Joan Seaman, Executive Director, Empire Beauty School, Moosic, Pennsylvania; and Mr. Thomas P. Leary, President, Luzerne County Community College, Nanticoke, Pennsylvania.

On March 22, 2011, the Committee held a hearing in Utica, New York, on “Reviving our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight work by local colleges and universities to respond to local and state economic needs. Testifying before the Committee were Mr. Anthony J. Picente, Jr., County Executive, Oneida County, Utica, New York; Mr. Dave Mathis, Director, Oneida County Workforce Development, Utica, New York; Dr. John Bay, Vice President and Chief Scientist, Assured Information Security, Inc., Rome, New York; Dr. Bjong Wolf Yeigh, President, State University of New York Institute of Technology, Utica, New York; Dr. Ann Marie Murray, President, Herkimer County Community College, Herkimer, New York; Dr. Judith Kirkpatrick, Provost, Utica College, Utica, New York; and Mr. Phil Williams, President, Utica School of Commerce, The Business College, Utica, New York.

On April 21, 2011, the Committee held a hearing in Columbia, Tennessee, on “Reviving our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight the work by local colleges and universities to respond to local and state economic needs. Testifying before the Committee were Dr. Janet Smith, President, Columbia State Community College, Columbia, Tennessee; Dr. Ted Brown, President, Martin-Methodist College, Pulaski, Tennessee; Mr. Jim Coakley, President, Nashville Auto-Diesel College, Nashville, Tennessee; The Honorable Dean Dickey, Mayor, City of Columbia, Columbia, Tennessee; Ms. Susan Marlow, President and Chief Executive Officer, Smart Data Strategies, Franklin, Tennessee; Ms. Jan McKeel, Executive Director, South Central Tennessee Workforce Board, Columbia, Tennessee; and Ms. Margaret Prater, Executive Director, Northwest Tennessee Workforce Board, Dyersburg, Tennessee.

On July 8, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training, together with the House Committee on Oversight and Government Reform Subcommittee on Regulatory Affairs, Stimulus Oversight, and Government Spending, held a hearing in Washington, D.C., on “The Gainful Employment Regulation: Limiting Job Growth and Student Choice.” The purpose of the hearing was to explore the harmful consequences of the gainful employment regulation issued by the U.S. Department of Education. Testifying before the subcommittees were Dr. Dario A. Cortes, President, Berkeley College, New York City, New York; Dr. Anthony P. Carnevale, Director, Georgetown University Center on Education and the Workforce, Washington, D.C.; Ms. Karla Carpenter, Graduate, Herzing University and Program Manager, Quest Software, Madison, Wisconsin; and Mr. Harry C. Alford, President and Chief Executive Officer, National Black Chamber of Commerce, Washington, D.C.

On August 16, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Greenville, South Carolina, on “Reviving Our Economy: The Role of Higher Education in Job Growth and Del-



opment.” The purpose of the hearing was to highlight the work by local colleges and universities to respond to local and state economic needs. Testifying before the Subcommittee were The Honorable Knox White, Mayor, City of Greenville, Greenville, South Carolina; Mr. Werner Eikenbusch, Section Manager, Associate Development and Training, BMW Manufacturing Co., Spartanburg, South Carolina; Ms. Laura Harmon, Project Director, Greenville Works, Greenville, South Carolina; Dr. Brenda Thames, Vice President of Academic Development, Greenville Health System, Greenville, South Carolina; Mr. James F. Barker, President, Clemson University, Clemson, South Carolina; Dr. Thomas F. Moore, Chancellor, University of South Carolina Upstate, Spartanburg, South Carolina; Dr. Keith Miller, President, Greenville Technical College, Greenville, South Carolina; and Ms. Amy Hickman, Campus President, ECPI College of Technology, Greenville, South Carolina.

On October 25, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Government-Run Student Loans: Ensuring the Direct Loan Program is Accountable to Students and Taxpayers.” The purpose of the hearing was to examine the switch to and implementation of the Direct Loan program. Testifying before the Subcommittee were Mr. James W. Runcie, Chief Operating Officer, Office of Federal Student Aid, U.S. Department of Education, Washington, D.C.; Mr. Ron H. Day, Director of Financial Aid, Kennesaw State University, Kennesaw, Georgia; Ms. Nancy Hoover, Director of Financial Aid, Denison University, Granville, Ohio; and Mr. Mark A. Bandré, Vice President for Enrollment Management and Student Affairs, Baker University, Baldwin City, Kansas.

On November 30, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Keeping College Within Reach: Discussing Ways Institutions Can Streamline Costs and Reduce Tuition.” The purpose of the hearing was to highlight innovative practices institutions of higher education are implementing to reduce their costs to limit tuition increases for students. Testifying before the Subcommittee were Ms. Jane V. Wellman, Executive Director, Delta Project on Postsecondary Costs, Productivity, and Accountability, Washington, D.C.; Dr. Ronald E. Manahan, President, Grace College and Seminary, Winona Lake, Indiana; Mr. Jamie P. Merisotis, President and Chief Executive Officer, Lumina Foundation for Education, Indianapolis, Indiana; and Mr. Tim Foster, President, Colorado Mesa University, Grand Junction, Colorado.

*Legislative action—First session*

On February 17, 2011, the House of Representatives considered an amendment offered by Committee Chairman John Kline (R-MN), Higher Education and Workforce Training Subcommittee Chairwoman Virginia Foxx (R-NC), and Rep. Alcee Hastings (D-FL) to H.R. 1, the *Disaster Relief Appropriations Act of 2013*. The amendment prohibited the use of funds by the U.S. Department of Education to implement and enforce the gainful employment regulation. The amendment was agreed to by a bipartisan vote of 289 to 136.

On February 19, 2011, the House of Representatives passed H.R. 1 by a vote of 235 to 189. This bill was not signed into law.

On June 3, 2011, Chairman John Kline (R–MN) and Subcommittee Chairwoman Virginia Foxx (R–NC) introduced H.R. 2117, the *Protecting Academic Freedom in Higher Education Act*. The bill repealed the state authorization regulation, one piece of the credit hour regulation, and prohibited the Secretary of Education (Secretary) from defining credit hour for any purpose under the *Higher Education Act of 1965*.

On June 15, 2011, the Committee considered H.R. 2117 in legislative session and reported it favorably, as amended, to the House of Representatives by a bipartisan vote of 27 to 11.

The Committee considered and adopted the following amendment to H.R. 2117:

- Subcommittee Chairwoman Virginia Foxx (R–NC) offered an amendment in the nature of a substitute to add a short title to the legislation. The amendment was adopted by voice vote.

The Committee further considered the following amendments to H.R. 2117, which were not adopted:

- Rep. Raúl Grijalva (D–AZ) offered an amendment to maintain pieces of the state authorization regulation, including the complaint process. The amendment failed by a vote of 17 to 22.

- Ranking Member George Miller (D–CA) offered an amendment to prohibit implementation until the U.S. Department of Education Inspector General certifies there are equal or greater protections in place related to program integrity under Title IV of the *Higher Education Act of 1965*. The amendment failed by a vote of 17 to 22.

- Rep. Rush Holt (D–NJ) offered an amendment to stipulate the act would be effective only if the maximum Pell Grant award is at least \$5,550 for the 2012–2013 school year. The amendment was ruled out of order.

- Rep. Tim Bishop (D–NY) offered an amendment to strike the repeal of the credit hour regulation that establishes a federal definition of a credit hour. The amendment failed by a vote of 11 to 27.

- Rep. Tim Bishop (D–NY) offered an amendment to strike the prohibition on the Secretary of Education from defining credit hour in the future. The amendment failed by a vote of 16 to 22.

#### *Hearings—Second session*

On July 18, 2012, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Keeping College Within Reach: Exploring State Efforts to Curb Costs.” The purpose of the hearing was to highlight innovative practices at the state level to assist postsecondary institutions in keeping costs affordable and to promote accountability of public funds. Testifying before the Subcommittee were Mr. Scott Pattison, Executive Director, National Association of State Budget Officers, Washington, D.C.; Ms. Teresa Lubbers, Commissioner for Higher Education, State of Indiana, Indianapolis, Indiana; Mr. Stan Jones, President, Complete College America, Zionsville, Indiana; and Dr. Joe May, President, Louisiana Community and Technical College System, Baton Rouge, Louisiana.

On September 20, 2012, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Assessing College Data: Helping to Provide Valuable Information to Students, Institutions, and Taxpayers.” The purpose of the hearing was to examine data collected by the federal government from institutions of higher education, including data requirements established during the last reauthorization of the *Higher Education Act*. Testifying before the Subcommittee were Dr. Mark Schneider, Vice President, American Institutes for Research, Washington, D.C.; Dr. James Hallmark, Vice Chancellor for Academic Affairs, Texas A&M System, College Station, Texas; Dr. José Cruz, Vice President for Higher Education Policy and Practice, The Education Trust, Washington, D.C.; and Dr. Tracy Fitzsimmons, President, Shenandoah University, Winchester, Virginia.

*Legislative action—Second session*

On February 28, 2012, the House of Representatives passed H.R. 2117 by a bipartisan vote of 303 to 114. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions.

On April 25, 2012, Rep. Judy Biggert (R-IL) introduced H.R. 4628, the *Interest Rate Reduction Act*. The bill reduced the interest rate on subsidized Stafford loans made to undergraduate students from 6.8 percent to 3.4 percent for one year, from July 1, 2012, through June 30, 2013. To offset the increase in mandatory spending, the bill repealed the Prevention and Public Health Fund authorized under Section 4002 of the *Patient Protection and Affordable Care Act* and rescinded the balance of unobligated monies made available for the fund.

On April 27, 2012, the House of Representatives passed H.R. 4628 by a vote of 215 to 195.

While H.R. 4628 was never considered by the Senate, its provisions were included in the Conference Report for H.R. 4348, the *Moving Ahead for Progress in the 21st Century Act* (MAP-21), sponsored by Rep. John Mica (R-FL). To partially offset the increase in mandatory spending that resulted from the temporary reduction in interest rates on subsidized Stafford loans, the bill permanently restricted the period of eligibility to borrow subsidized Stafford loans to 150 percent of the published length of a student’s educational program.

On June 29, 2012, the House of Representatives passed the Conference Report to H.R. 4348 by a bipartisan vote of 373 to 52.

On June 29, 2012, the Senate passed the Conference Report to H.R. 4348 by a bipartisan vote of 74 to 19.

On July 6, 2012, the President of the United States signed H.R. 4348 into law (P.L. 112-141).

113TH CONGRESS

*Hearings—First session*

On March 13, 2013, the Committee held a hearing in Washington, D.C., on “Keeping College Within Reach: Examining Opportunities to Strengthen Federal Student Loan Programs.” The purpose of the hearing was to examine ways to strengthen federal stu-

dent loans, as well as how moving to a market-based or variable interest rate on all federal student loans could benefit both students and taxpayers. Testifying before the Committee were Dr. Deborah J. Lucas, Sloan Distinguished Professor of Finance, Massachusetts Institute of Technology, Cambridge, Massachusetts; Mr. Jason Delisle, Director, Federal Education Budget Project, The New America Foundation, Washington, D.C.; Mr. Justin Draeger, President and Chief Executive Officer, National Association of Student Financial Aid Administrators, Washington, D.C.; and Dr. Charmaine Mercer, Vice President of Policy, Alliance for Excellent Education, Washington, D.C.

On April 9, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Monroe, Michigan, entitled “Reviving Our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight work being done by local colleges and universities to respond to local and state economic needs. Testifying before the Subcommittee were Mr. Henry Lievens, Commissioner, Monroe County, Monroe, Michigan; Ms. Lynette Dowler, Plant Director, Fossil Generation, DTE Energy, Detroit, Michigan; Ms. Susan Smith, Executive Director, Economic Development Partnership of Hillsdale County, Jonesville, Michigan; Mr. Dan Fairbanks, United Auto Workers International Representative, UAW–GM Skill Development and Training Department, Detroit, Michigan; Dr. David E. Nixon, President, Monroe County Community College, Monroe, Michigan; Sister Peg Albert, OP, Ph.D., President, Siena Heights University, Adrian, Michigan; Dr. Michelle Shields, Career Coach/Workforce Development Director, Jackson Community College, Jackson, Michigan; and Mr. Douglas A. Levy, Director of Financial Aid, Macomb Community College, Warren, Michigan.

On April 16, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: The Role of Federal Student Aid Programs.” The purpose of the hearing was to examine shifting the focus of federal student aid programs from enhancing access to improving student outcomes. Testifying before the Subcommittee were Mr. Terry W. Hartle, Senior Vice President, Division of Government and Public Affairs, American Council on Education, Washington, D.C.; Ms. Moriah Miles, State Chair, Minnesota State University Student Association, Mankato, Minnesota; Ms. Patricia McGuire, President, Trinity Washington University, Washington, D.C.; and Mr. Dan Madzelan, Former Employee (Retired), U.S. Department of Education, University Park, Maryland.

On April 24, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Enhancing Transparency for Students, Families, and Taxpayers.” The purpose of the hearing was to examine ways to improve the information provided by the federal government to inform students and families about their postsecondary education options. Testifying before the Subcommittee were Dr. Donald E. Heller, Dean, College of Education, Michigan State University, East Lansing, Michigan; Mr. Alex Garrido, Student, Keiser Univer-

sity, Miami, Florida; Dr. Nicole Farmer Hurd, Founder and Executive Director, National College Advising Corps, Carrboro, North Carolina; and Mr. Travis Reindl, Program Director, Postsecondary Education, National Governors Association Center for Best Practices, Washington, D.C.

On June 13, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Discussing Program Quality through Accreditation.” The purpose of the hearing was to examine the historical role of accreditation, discuss the role of regional and national accreditors in measuring institutional quality, and contemplate areas for reform. Testifying before the Subcommittee were Dr. Elizabeth H. Sibolski, President, Middle States Commission on Higher Education, Philadelphia, Pennsylvania; Dr. Michale McComis, Executive Director, Accrediting Commission of Career Schools and Colleges, Arlington, Virginia; Ms. Anne D. Neal, President, American Council of Trustees and Alumni, Washington, D.C.; and Mr. Kevin Carey, Director of the Education Policy Program, The New America Foundation, Washington, D.C.

On July 9, 2013, the Committee held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Improving Higher Education through Innovation.” The purpose of the hearing was to highlight innovation in higher education occurring at the state and institutional level and in the private sector. Testifying before the Committee were Mr. Scott Jenkins, Director of External Relations, Western Governors University, Salt Lake City, Utah; Dr. Pamela J. Tate, President and Chief Executive Officer, Council for Adult and Experiential Learning, Chicago, Illinois; Dr. Joann A. Boughman, Senior Vice Chancellor for Academic Affairs, University System of Maryland, Adelphi, Maryland; and Mr. Burck Smith, Chief Executive Officer and Founder, StraighterLine, Baltimore, Maryland.

On September 11, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Supporting Higher Education Opportunities for America’s Servicemembers and Veterans.” The purpose of the hearing was to examine the efforts of higher education to improve postsecondary education opportunities for servicemembers and veterans. Testifying before the Subcommittee were Mrs. Kimrey W. Rhinehardt, Vice President for Federal and Military Affairs, The University of North Carolina, Chapel Hill, North Carolina; Dr. Arthur F. Kirk, Jr., President, Saint Leo University, Saint Leo, Florida; Dr. Russell S. Kitchner, Vice President for Regulatory and Governmental Relations, American Public University System, Charles Town, West Virginia; and Dr. Ken Sauer, Senior Associate Commissioner for Research and Academic Affairs, Indiana Commission for Higher Education, Indianapolis, Indiana.

On September 18, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Improving Access and Affordability through Innovative Partnerships.” The purpose of the hearing was to examine the efforts of higher education institutions to expand access and

reduce costs by partnering with local employers, other colleges, or online course providers. Testifying before the Subcommittee were Dr. Jeffrey Docking, President, Adrian College, Adrian, Michigan; Ms. Paula R. Singer, President and Chief Executive Officer, Laureate Global Products and Services, Baltimore, Maryland; Dr. Rich Baraniuk, Professor, Rice University, and Founder, Connexions, Houston, Texas; and Dr. Charles Lee Isbell, Jr., Professor and Senior Associate Dean, College of Computing, Georgia Institute of Technology, Atlanta, Georgia.

On November 13, 2013, the Committee held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Simplifying Federal Student Aid.” The purpose of the hearing was to examine the need to streamline, consolidate, and simplify federal student aid programs. Testifying before the Committee were Ms. Kristin D. Conklin, Founding Partner, HCM Strategies, LLC, Washington, D.C.; Dr. Sandy Baum, Research Professor of Education Policy, George Washington University Graduate School of Education and Human Development, and Senior Fellow, Urban Institute, Washington, D.C.; Ms. Jennifer Mishory, J.D., Deputy Director, Young Invincibles, Washington, D.C.; and Mr. Jason Delisle, Director, Federal Education Budget Project, New America Foundation, Washington, D.C.

On December 3, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Strengthening Pell Grants for Future Generations.” The purpose of the hearing was to examine Pell Grant program reform proposals to better target funds to the neediest students and put the program on a fiscally responsible and sustainable path. Testifying before the Subcommittee were Mr. Justin Draeger, President and Chief Executive Officer, National Association of Student Financial Aid Administrators, Washington, D.C.; Dr. Jenna Ashley Robinson, Director of Outreach, John W. Pope Center for Higher Education Policy, Raleigh, North Carolina; Mr. Michael Dannenberg, Director of Higher Education and Education Finance Policy, The Education Trust, Washington, D.C.; and Mr. Richard C. Heath, Director of Student Financial Services, Anne Arundel Community College, Arnold, Maryland.

#### *Legislative action—First session*

On May 9, 2013, Chairman John Kline (R-MN) and Subcommittee Chairwoman Virginia Foxx (R-NC) introduced H.R. 1911, the *Smarter Solutions for Students Act*. The bill moved all federal student loans (except Perkins loans) to a market-based interest rate.

On May 16, 2013, the Committee considered H.R. 1911 in legislative session and reported it favorably, as amended, to the House of Representatives by a bipartisan vote of 24 to 13.

The Committee considered and adopted the following amendment to H.R. 1911:

- Subcommittee Chairwoman Virginia Foxx (R-NC) offered an amendment in the nature of a substitute to make a technical change to the bill. The amendment was adopted by voice vote.

The Committee further considered the following amendments to H.R. 1911, which were not adopted:

- Rep. Joe Heck (R–NV) offered an amendment to allocate a portion of the savings generated under the bill to Pell Grants. The amendment was withdrawn.

- Rep. Joe Heck (R–NV) offered an amendment to provide the Secretary of Education with authority to reduce the interest rate on student loans if a borrower makes the first 48 payments on time. The amendment was withdrawn.

- Rep. John Tierney (D–MA) offered an amendment to set the federal student loan interest rates at the same rate the Federal Reserve charges to banks for two years. The amendment failed by a vote of 14 to 23.

- Rep. Joe Courtney (D–CT) offered an amendment to extend the 3.4 percent interest rate on subsidized Stafford loans for two years. The amendment failed by a vote of 15 to 21.

On May 23, 2013, the House of Representatives passed H.R. 1911 by a bipartisan vote of 221 to 198.

On July 24, 2013, the Senate passed a substitute version of H.R. 1911, the *Bipartisan Student Loan Certainty Act*, by a bipartisan vote of 81 to 18. The legislation allowed student loan interest rates to reset once a year by the market, but they would be locked into a fixed rate once the loan is disbursed to the student. Interest rates would be set using the following formulas:

- Undergraduate Stafford loans (subsidized and unsubsidized): 10-year Treasury Note plus 2.05 percent, capped at 8.25 percent.

- Graduate Stafford loans: 10-year Treasury Note plus 3.6 percent, capped at 9.5 percent.

- PLUS loans (graduate and parent): 10-year Treasury Note plus 4.6 percent, capped at 10.5 percent.

On July 31, 2013, the House of Representatives agreed to suspend the rules and agree to the Senate amendment to H.R. 1911 by a bipartisan vote of 392 to 31.

On August 9, 2013, the President of the United States signed H.R. 1911 into law (P.L. 113–28).

On May 13, 2013, Rep. Luke Messer (R–IN) introduced H.R. 1949, the *Improving Postsecondary Education Data for Students Act*. The bill directed the Secretary to convene an Advisory Committee on Improving Postsecondary Education Data to conduct a study on the factors students and families want, need, and already consider when choosing a higher education institution.

On May 16, 2013, the Committee considered H.R. 1949 in legislative session and reported it favorably, as amended, to the House of Representatives by a voice vote. The Committee considered and adopted the following amendment to H.R. 1949:

- Rep. Luke Messer (R–IN) offered an amendment in the nature of a substitute to H.R. 1949 to (1) include individuals who represent undergraduate and graduate education; college and career counselors at secondary schools; experts in data policy, collection, and use; and experts in labor markets on the list of individuals required to be represented on the Advisory Committee on Improving Postsecondary Education Data; (2) ensure individuals on the advisory committee represent economic, racial, and geographically diverse populations; (3) require the advisory committee to examine information related to the sources of financial assistance, including federal student loans, as part of the required aspects of the study; (4) require the advisory committee to examine how information re-

garding student outcomes should be disaggregated for first-generation students; and (5) provide other conforming and technical changes to the bill. The amendment was adopted by voice vote.

On May 22, 2013, the House of Representatives agreed to suspend the rules and pass H.R. 1949 by voice vote. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions.

On July 10, 2013, Chairman John Kline (R-MN), Subcommittee Chairwoman Virginia Foxx (R-NC), and Rep. Alcee Hastings (D-FL) introduced H.R. 2637, the *Supporting Academic Freedom through Regulatory Relief Act*. The bill, which included the text of the *Protecting Academic Freedom in Higher Education Act* (H.R. 2117) and the Kline/Foxx/Hastings amendment to H.R. 1 from the 112th Congress, repealed the credit hour, state authorization, and gainful employment regulations and amended the statute to clarify the incentive compensation regulation. Additionally, the bill prohibited the U.S. Department of Education from issuing related regulations until after Congress reauthorizes the *Higher Education Act*.

On July 24, 2013, the Committee considered H.R. 2637 in legislative session and reported it favorably, as amended, to the House of Representatives by a bipartisan vote of 22 to 13.

The Committee considered and adopted the following amendment to H.R. 2637:

- Subcommittee Chairwoman Virginia Foxx (R-NC) offered an amendment in the nature of a substitute to change a subsection title in the legislation. The amendment was adopted by voice vote.

The Committee further considered the following amendment to H.R. 2637, which was not adopted:

- Rep. Tim Bishop (D-NY) offered an amendment to strike the prohibition on the U.S. Department of Education from issuing regulations related to state authorization, gainful employment, and credit hour. The amendment failed by a vote of 13 to 22.

#### *Hearings—Second session*

On January 28, 2014, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Sharing Best Practices for Serving Low-Income and First Generation Students.” The purpose of the hearing was to highlight best practices at institutions of higher education for serving low-income and first generation students. Testifying before the Subcommittee were Dr. James Anderson, Chancellor, Fayetteville State University, Fayetteville, North Carolina; Mrs. Mary Beth Del Balzo, Senior Executive Vice President and Chief Executive Officer, The College of Westchester, White Plains, New York; Mr. Josse Alex Garrido, Graduate Student, University of Texas—Pan American, Edinburg, Texas; and Rev. Dennis H. Holtschneider, President, DePaul University, Chicago, Illinois.

On February 27, 2013, the Committee on Education and the Workforce Subcommittee on Early Childhood, Elementary, and Secondary Education and Subcommittee on Higher Education and Workforce Training held a joint hearing in Washington, D.C., on “Exploring Efforts to Strengthen the Teaching Profession.” The purpose of the hearing was to discuss the state of teacher preparation nationwide. Testifying before the subcommittees were Dr.



Deborah A. Gist, Commissioner, Rhode Island Department of Elementary and Secondary Education, Providence, Rhode Island; Dr. Marcy Singer-Gabella, Professor of the Practice of Education, Vanderbilt University, Nashville, Tennessee; Dr. Heather Peske, Associate Commissioner for Educator Quality, Massachusetts Department of Elementary and Secondary Education, Malden, Massachusetts; and Ms. Christina Hall, Co-Founder and Co-Director, Urban Teacher Center, Baltimore, Maryland.

On March 12, 2014, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Examining the Mismanagement of the Student Loan Rehabilitation Process.” The purpose of the hearing was to examine the U.S. Department of Education’s ability to oversee the processing of rehabilitated loans issued under the Direct Loan program. Testifying before the Subcommittee were Ms. Melissa Emrey-Arras, Director of Education, Workforce, and Income Security Issues, U.S. Government Accountability Office, Boston, Massachusetts; The Honorable Kathleen Tighe, Inspector General, U.S. Department of Education, Washington, D.C.; Mr. James Runcie, Chief Operating Officer, Federal Student Aid, U.S. Department of Education, Washington, D.C.; and Ms. Peg Julius, Executive Director of Enrollment Management, Kirkwood Community College, Cedar Rapids, Iowa.

On March 20, 2014, the Committee held a hearing in Mesa, Arizona, entitled “Reviving Our Economy: Supporting a 21st Century Workforce.” The purpose of the hearing was to explore the role of local higher education institutions in fostering job creation and growth through innovative partnerships with the business community and new modes of teaching delivery. Testifying before the Committee were The Honorable Rick Heumann, Vice Mayor, City of Chandler, Chandler, Arizona; Ms. Cathleen Barton, Education Manager, Intel Corporate Affairs, Southwestern United States, Intel Corporation, Chandler, Arizona; Mr. Lee D. Lambert, J.D., Chancellor, Pima Community College, Tucson, Arizona; Dr. William Pepicello, President, University of Phoenix, Tempe, Arizona; Dr. Michael Crow, President, Arizona State University, Tempe, Arizona; Dr. Ann Weaver Hart, President, The University of Arizona, Tucson, Arizona; Dr. Ernest A. Lara, President, Estrella Mountain Community College, Avondale, Arizona; and Ms. Christy Farley, Vice President of Government Affairs and Business Partnerships, Northern Arizona University, Phoenix, Arizona.

On April 2, 2014, the Committee on Education and the Workforce held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Meeting the Needs of Contemporary Students.” The purpose of the hearing was to examine how institutions, states, and other entities assist contemporary college students in accessing and completing postsecondary education. Testifying before the Committee were Dr. George A. Pruitt, President, Thomas Edison State College, Trenton, New Jersey; Dr. Kevin Gilligan, Chairman and Chief Executive Officer, Capella Education Company, Minneapolis, Minnesota; Mr. David Moldoff, Chief Executive Officer and Founder, AcademyOne, Inc., West Chester, Pennsylvania; Dr. Joann A. Boughman, Senior Vice Chancellor for Academic Affairs, University System of Maryland, Adelphi, Maryland; Mr. Stan Jones, President, Complete College America, Indianapolis, Indiana; and Dr.

Brooks A. Keel, President, Georgia Southern University, Statesboro, Georgia.

*Legislative action—Second session*

On September 19, 2013, Rep. Matt Salmon (R–AZ), Rep. Susan Brooks (R–IN), and Rep. Jared Polis (D–CO) introduced H.R. 3136, the Advancing Competency-Based Education Demonstration Project Act of 2013. The bill directed the Secretary to select institutions or consortia of institutions for voluntary participation in competency-based education demonstration projects. The demonstration projects would have provided participating entities with the ability to offer competency-based education programs that do not meet certain statutory and regulatory requirements which would otherwise prevent them from participating in federal student aid programs.

On July 10, 2014, the Committee considered H.R. 3136 in legislative session and reported it favorably, as amended, to the House of Representatives by a voice vote. The Committee considered and adopted the following amendment to H.R. 3136:

- Rep. Matt Salmon (R–AZ) and Rep. Jared Polis (D–CO) offered an amendment in the nature of a substitute to add certain requirements to the applications to participate in a competency-based education project; allow eligible entities to submit amendments to their previously-approved applications; set requirements for the entities the Secretary must choose to participate in the programs; require institutions to provide student information to the director of the Institute of Education Sciences (IES); require the Director of IES to annually evaluate each project and provide a report with specified information to the authorizing committees; authorize funds to be available from the amount appropriated for salaries and expenses of the U.S. Department of Education, and make conforming and technical changes to the introduced bill. The amendment was adopted by voice vote.

The Committee further considered the following amendment to H.R. 3136, which was not adopted:

- Rep. Tierney (D–MA) offered an amendment that would have allowed students with federal student loans and private student loans issued prior to 2013 to refinance those loans into new federal loans at the interest rate set for the 2013–2014 academic year. The amendment was ruled non-germane. Ranking Member George Miller (D–CA) appealed the ruling of the chair. Rep. Glenn Thompson (R–PA) offered a motion to table the appeal of the ruling of the chair, which was adopted by a vote of 22 to 16.

On July 23, 2014, the House of Representatives considered H.R. 3136 and passed it, as amended, by a recorded vote of 414–0 on July 23, 2014. The bill was sent to the Senate and was referred to the Senate Committee on Health, Education, Labor, and Pensions.

On June 26, 2014, Subcommittee Chairwoman Virginia Foxx (R–NC) and Rep. Luke Messer (R–IN) introduced H.R. 4983, the *Strengthening Transparency in Higher Education Act*. The bill simplified and streamlined the information made publicly available by the Secretary regarding institutions of higher education.

On July 10, 2014, the Committee considered H.R. 4983 in legislative session and reported it favorably, as amended, to the House of Representatives by a voice vote. The Committee considered and adopted the following amendment to H.R. 4983:

- Subcommittee Chairwoman Virginia Foxx (R–NC) offered an amendment in the nature of a substitute that required additional information on the College Dashboard; required the Secretary to conduct consumer testing in consultation with appropriate federal departments and agencies; ensured consumer testing addresses whether the College Dashboard provides useful and relevant information to students and families; required the Secretary to submit to the authorizing committees recommendations based on the results of consumer testing; set new minimum requirements for net price calculators, required funding to come from funds already appropriated to maintain the College Navigator; and made other conforming and technical changes. The amendment was adopted by voice vote.

The Committee further considered the following amendment to H.R. 4983, which was not adopted:

- Ranking Member George Miller (D–CA) offered an amendment that required the Commissioner of Education Statistics to establish a formula for determining the percentage of student borrowers who have completed their course of study and who are in repayment or in an authorized deferment period at three, five and 10 years after completion of a program of study. The amendment failed by a vote of 13 to 21.

On July 23, 2014, the House of Representatives considered H.R. 4983 under suspension of the rules. The bill was agreed to by voice vote, sent to the Senate, and referred to the Senate Committee on Health, Education, Labor, and Pensions.

On June 26, 2014, Rep. Brett Guthrie (R–KY) and Rep. Richard Hudson (R–NC) introduced H.R. 4984, the *Empowering Students through Enhanced Financial Counseling Act*. The bill amended the loan counseling requirements under the Higher Education Act and required counseling for Federal Pell Grant recipients.

On July 10, 2014, the Committee considered H.R. 4984 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 4984:

- Reps. Brett Guthrie (R–KY) and Suzanne Bonamici (D–OR) offered an amendment in the nature of a substitute that removed the requirement that annual counseling for Pell Grant recipients be tied to disbursement of the grant; required additional information be disclosed to borrowers during annual counseling and exit counseling sessions; required institutions to provide annual counseling to borrowers receiving Parent PLUS loans; required any funds used to carry out the act to come from funds already appropriated to maintain the Financial Awareness Counseling Tool; and made conforming and technical changes. The amendment was adopted by voice vote.

The Committee further considered the following amendment to H.R. 4984, which was not adopted:

- Rep. Susan Davis (D–CA) offered an amendment to modify the rule requiring for-profit colleges to receive at least 10 percent of their revenue from sources other than the U.S. Department of Education to remain eligible for federal student aid to include all federal aid, including veterans' educational benefits and some *Workforce Investment Act* funds, in the 90 percent portion of the calculation and only private funds in the 10 percent portion of the calculation.

tion. The amendment was ruled non-germane. Ranking Member George Miller (D–CA) appealed the ruling of the chair. Rep. Glenn Thompson (R–PA) offered a motion to table the appeal of the ruling of the chair, which was adopted by a vote of 20 to 13.

On July 24, 2014, the House of Representatives considered H.R. 4984 and passed it, as amended, by a vote of 405–11. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions.

#### 114TH CONGRESS

##### *Hearings—First session*

On February 4, 2015, the Committee held a hearing in Washington, D.C., on “Expanding Opportunity in America’s Schools and Workplaces.” The purpose of the hearing was to allow Committee members to learn about efforts made by state leaders to strengthen education, to make sure those who graduate are prepared to pursue a postsecondary education and compete in the workforce, and promote efforts to spur job creation. Testifying before the Committee were Dr. Michael Amiridis, Provost and Executive Vice President for Academic Affairs, University of South Carolina, Columbia, South Carolina; Mr. Drew Greenblatt, President and CEO, Marlin Steel Wire Products, Baltimore, Maryland; Dr. Lawrence Mishel, Ph.D., President, Economic Policy Institute, Washington, D.C.; and The Honorable Mike Pence, Governor, State of Indiana, Indianapolis, Indiana.

On March 17, 2015, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Strengthening America’s Higher Education System.” The purpose of the hearing was to explore policy proposals that align with the Committee’s four pillars for reauthorization of the HEA: (1) empowering students and families to make informed decisions; (2) simplifying and improving student aid; (3) promoting innovation, access, and completion; and (4) ensuring strong accountability and a limited federal role. Testifying before the Subcommittee were Mr. Willis Goldsmith, Partner, Jones Day, New York, New York who testified on behalf of the U.S. Chamber of Commerce; Mr. Stan Soloway, President and CEO, Professional Services Council, Arlington, Virginia; Ms. Angela Styles, Partner, Crowell & Moring LLP, Washington, D.C.; and Ms. Karla Walter, Associate Director, American Worker Project, Center for American Progress, Washington, D.C.

On April 30, 2015, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Improving College Access and Completion for Low-Income and First-Generation Students.” The purpose of the hearing was to explore policy proposals and best practices to strengthen programs to help disadvantaged students access and complete higher education. Testifying before the Subcommittee were Dr. Laura Perna, James S. Riepe Professor, Executive Director, Alliance for Higher Education and Democracy, University of Pennsylvania, Philadelphia, Pennsylvania; Dr. Charles J. Alexander, Associate Vice Provost for Student Diversity, Director, Academic Advancement Program, Associate Adjunct Professor, University of California, Los Angeles, California; Dr. Michelle Asha

Cooper, President, Institute for Higher Education Policy, Washington, D.C.; and Dr. Joe D. May, Chancellor, Dallas County Community College District, Dallas, Texas.

On September 10, 2015, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Preventing and Responding to Sexual Assault on College Campuses.” The purpose of the hearing was to explore policy proposals and best practices to help institutions address and respond to campus sexual assault and violence. Testifying before the Subcommittee were Ms. Dana Scaduto, General Counsel, Dickinson College, Carlisle, Pennsylvania; Dr. Penny Rue, Vice President for Campus Life, Wake Forest University, Winston-Salem, North Carolina; Ms. Lisa M. Maatz, M.A., Vice President for Government Relations, American Association of University Women, Washington, D.C.; and Mr. Joseph Cohn, Legislative and Policy Director, Foundation for Individual Rights in Education, Philadelphia, Pennsylvania.

On November 18, 2015, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training, together with the House Committee on Oversight and Government Reform Subcommittee on Government Operations held a hearing in Washington, D.C., on “Federal Student Aid: Performance-Based Organization Review.” The purpose of the hearing was to review the Office of Federal Student Aid’s (FSA) responsibilities as a Performance-Based Organization (PBO), evaluate the PBO’s performance, and identify possible areas of reform. Testifying before the subcommittees were Mr. James Runcie, Chief Operating Officer, U.S. Department of Education, Washington, D.C.; Ms. Melissa Emrey-Arras, Director, Education Workforce, and Income Security, U.S. Government Accountability Office, Washington, D.C.; The Honorable Kathleen Tighe, Inspector General, U.S. Department of Education, Washington, D.C.; Mr. Ben Miller, Senior Director, Postsecondary Education, Center for American Progress, Washington, D.C.; and Mr. Justin Draeger, President, National Association of Student Financial Aid Administrators, Washington, D.C.

*Legislative action—First session*

On July 23, 2015, Higher Education and Workforce Training Subcommittee Chairwoman Virginia Foxx along with Chairman John Kline (R-MN), Ranking Member Robert C. Scott (D-VA), and Reps. Luke Messer (R-IN), Gregorio Sablan (D-MP), Tim Walberg (R-MI), Joe Heck (R-NV), Buddy Carter (R-GA), Elise Stefanik (R-NY), Susan Davis (D-CA), Raúl Grijalva (D-AZ), and Mark DeSaulnier (D-CA) introduced H.R. 3178, the *Strengthening Transparency in Higher Education Act*. The bill ensures straightforward and useful information is easily accessible to students and parents and improves coordination between federal agencies to publish information about colleges and universities.

On July 23, 2015, Rep. Brett Guthrie (R-KY) along with Chairman John Kline (R-MN), Ranking Member Robert C. Scott (D-VA), and Reps. Rick Allen (R-GA), Suzanne Bonamici (D-OR), Duncan Hunter (R-CA), Tim Walberg (R-MI), Joe Heck (R-NV), Luke Messer (R-IN), Buddy Carter (R-GA), Elise Stefanik (R-NY), Susan Davis (D-CA), Raúl Grijalva (D-AZ), Gregorio Sablan (D-MP), Mark Pocan (D-WI), Mark Takano (D-CA), Katherine Clark

(D–MA), Mark DeSaulnier (D–CA), and Richard Hudson (R–NC) introduced H.R. 3179, the *Empowering Students Through Enhanced Financial Counseling Act*. The bill promotes financial literacy through enhanced counseling for all recipients of federal financial aid.

On September 24, 2015, Reps. Mike Bishop (R–MI) and Mark Pocan (D–WI) introduced H.R. 3594, the *Higher Education Extension Act of 2015*. The bill extends the authorization of the National Advisory Committee on Institutional Quality and Integrity and the authority of institutions of higher education to make loans to new borrowers under the federal Perkins loan program through September 30, 2016.

On September 28, 2015, the House of Representatives passed H.R. 3594 by a voice vote. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions. The Senate amended the bill to extend the authorization of the federal Perkins loan program to September 30, 2017. The amendment was adopted by unanimous consent, and the underlying legislation was subsequently passed in the Senate on December 16, 2015, by voice vote.

On December 17, 2015, the House agreed to the Senate amendment by unanimous consent. The *Higher Education Extension Act of 2015* was signed into law by the President on December 18, 2015.

#### *Legislative action—Second session*

On June 22, 2016, the Committee on Education and the Workforce considered H.R. 3178 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 3178:

- Subcommittee Chairwoman Virginia Foxx (R–NC) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

On June 22, 2016, the Committee considered H.R. 3179 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 3179:

- Rep. Brett Guthrie (R–KY) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

On June 20, 2016, Rep. Joe Heck (R–NV) along with Reps. David “Phil” Roe (R–TN), Jared Polis (D–CO), and Mark Pocan (D–WI) introduced H.R. 5528, the *Simplifying the Application for Student Aid Act*. The bill ensures continued allowance for earlier notification of federal student aid, leverages technology to make the application for federal student aid more accessible and easier to fill out, and provides more time for aid administrators to verify and package student aid.

On June 22, 2016, the Committee considered H.R. 5528 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 5528:

- Rep. Joe Heck (R–NV) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

On June 20, 2016, Rep. Joe Heck (R–NV) along with Reps. Ruben Hinojosa (D–TX) and Raul Ruiz (D–CA) introduced H.R. 5529, the *Accessing Higher Education Opportunities Act*. The bill expands the authorized uses of funds for Hispanic-Serving Institutions (HSIs) so they may promote dual enrollment opportunities and encourage Hispanic students to pursue doctoral degree programs in the healthcare industry.

On June 22, 2016, the Committee considered H.R. 5529 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 5529:

- Rep. Joe Heck (R–NV) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

On June 20, 2016, Reps. Alma Adams (D–NC) and Bradley Byrne (R–AL) introduced H.R. 5530, the *HBCU Capital Financing Improvement Act*. The bill improves the program by requiring the advisory board to send an annual report to Congress regarding the status of the Historically Black College and University (HBCU) Capital Financing Program. Additionally, the bill renames the escrow account to “bond insurance fund.” Lastly, this bill allows for financial counseling to potential eligible HBCUs to assist in their preparation to qualify, apply for, and maintain a capital improvement loan.

On June 22, 2016, the Committee considered H.R. 5530 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 5530:

- Rep. Alma Adams (D–NC) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

#### SUMMARY

The *Empowering Students through Enhanced Financial Counseling Act* creates a roadmap to repayment for borrowers by improving the timing and frequency of loan counseling and allows counseling to be tailored to a borrower’s individual situation. The legislation ensures both student and parent borrowers have the most current information by requiring annual counseling before they take out loans.

The legislation requires annual counseling for student borrowers to include recommendations to exhaust available grant, work-study, and scholarship assistance before taking out loans, as well as a recommendation to exhaust federal student loan options before taking out a private loan. The counseling must also include a notice informing borrowers they are not required to accept the full amount of the loan they are offered and information on any outstanding federal loan balance the borrower may have. Based on that outstanding balance and any new loans being taken out, the information must include anticipated monthly payments under standard and income-based repayment plans.

The legislation requires counseling for borrowers of Parent PLUS loans on behalf of dependent students. Similar to counseling for student borrowers, the counseling will provide parent borrowers individualized information on their outstanding loan balance and on anticipated monthly payments. The counseling will also include debt management strategies, information on the National Student Loan Data System, and contact information for the servicer of each loan.

Additionally, the legislation bolsters exit counseling for students. Exit counseling under the bill will include information on the borrower's outstanding loan balance, anticipated monthly payments under the standard and income-based repayment plans, the grace period preceding repayment, as well as contact information for those organizations servicing the borrower's loans. This information will empower borrowers to make smart financial decisions as they leave school and begin to repay their college loan commitments.

The legislation requires colleges annually to provide important counseling and disclosures to Pell Grant recipients. A Pell Grant recipient will receive counseling on the terms and conditions of his or her grant; the approved educational expenses to which the grant could be applied; the maximum length of time a student is eligible to receive Pell Grants; the amount of assistance a student is eligible to receive; a notice that Pell Grant eligibility is not reset when a student transfers institutions; conditions under which a student may be required to repay a Pell Grant; and how a student may seek additional assistance due to a change in his or her financial circumstances. All aid recipients will also receive state-specific information on the average income and employment status of individuals based on various levels of educational attainment, and Pell Grant recipients and student borrowers will receive an introduction to the Financial Literacy and Education Commission's financial management resources.

The legislation requires the Secretary to maintain a consumer-tested, online counseling tool institutions could use to provide required counseling to their students. Institutions could choose to use this tool to provide their students financial counseling or they could offer institution-created counseling directly to their students, either during an in-person session or through an online tool created for the institution.

Finally, the legislation directs the Secretary, acting through the Director of IES, to conduct a longitudinal study of the impact and effectiveness of the new annual counseling, updated exit counseling, and online counseling tool, as well as counseling provided through other means determined by the Secretary. The evaluation will also explore how counseling affects outcomes for students of different races, ethnicities, genders, and income levels.

## COMMITTEE VIEWS

### *Introduction*

With tuition increasing and economic pressures faced by graduates mounting, responsibly financing a higher education has never been more critical. However, many students and parents are unprepared to navigate the complex maze of loans and grants offered by the federal government, states, the private sector, and in-



stitutions of higher education. Further, upon graduation, many borrowers also struggle to manage the repayment of the loans used to finance their education, leading to significant financial hardship and greater risk for taxpayers. Student financial literacy is vital to reversing this trend, yet current efforts are failing to equip students and parents with the crucial information they need to make wise financial decisions.

Many students never receive meaningful financial literacy assistance as they review options for paying for college. The *Higher Education Act* currently requires counseling for only those students receiving federal student loans, while parents who take out loans on behalf of their student as well as students who receive only a Pell Grant do not receive any counseling. More robust and timely financial literacy support must be made available.

*Enhancing loan counseling for students*

To help students make smart decisions about financing their higher education, Reps. Brett Guthrie (R-KY), Rick Allen (R-GA), and Suzanne Bonamici (D-OR) introduced H.R. 3179, the *Empowering Students through Enhanced Financial Counseling Act*. H.R. 3179 improves the timing and frequency of loan counseling and ensures students have the most current information available to them. Under current law, students who receive federal student loans are required to complete one-time entrance counseling only regarding the terms and conditions of their loans. This counseling is only required to occur prior to disbursement of the loan, so many students receive it after they have already decided how much to borrow. During a November 13, 2013, hearing entitled “Keeping College Within Reach: Simplifying Federal Student Aid,” the Committee explored opportunities to streamline the federal aid system for students. At the hearing, Ms. Jennifer Mishory, Deputy Director of Young Invincibles, highlighted the need for enhanced and more frequent financial aid counseling:

In a recent Young Invincibles survey, 40 percent of high-debt borrower respondents reported that they did not receive federally mandated loan counseling. It is perhaps unlikely that so many schools are out of compliance, but that statistic warns us that many young people benefit so little from loan counseling that they do not remember receiving it—or did not consider what they received to constitute counseling.

With student loan default rates on the rise, the Committee believes students should be given a complete picture of not only their rights and obligation with respect to their federal loans, but also the impact taking out loans may have on their financial futures each year—before they accept a new round of student loans. H.R. 3179 requires loan counseling to occur annually before a student accepts a federal student loan for the year. The legislation also requires counseling be personalized to the individual borrower’s situation, rather than just providing general information applicable to a range of borrowers. In the course of just one school year, Indiana University was able to reduce undergraduate Stafford loan disbursements by 11 percent, or \$31 million, by telling students annually what their monthly payment would be after graduation before

they took out loans for the next year. This was more than five times the decrease in outlays at four-year public institutions nationally.<sup>1</sup> Data also show borrower defaults concentrate around the millions of students with smaller debts who drop out without a degree. In fact, 34 percent of those borrowing under \$5,000 for college eventually end up in default.<sup>2</sup> Annual counseling that includes individualized anticipated monthly payments under income-based repayment can help student borrowers who do not complete college avoid these harmful defaults. The Committee believes better information about loans and the post-college obligations and responsibilities that come with those loans will help students make wise borrowing decisions.

During a March 17, 2015, Committee on Education and Workforce Subcommittee on Higher Education and Workforce Training hearing entitled “Strengthening America’s Higher Education System,” Michael J. Bennett, Associate Vice President of Financial Assistance Services at St. Petersburg College in Florida, highlighted the complexity of the federal student loan system, the confusion students often face, and the need for enhanced loan counseling:

One online entrance and exit counseling session is not enough for some students to fully understand the realities of excessive debt and over-borrowing. . . . We also must embrace at the institutional level the importance of financial literacy. And lastly and most importantly, these initiatives and simplification efforts must be paired with the availability of personalized, comprehensive financial education services to help students.

About 61 percent of students who earned bachelor’s degrees in the 2013–2014 academic year from the public and private nonprofit four-year schools at which they began their studies graduated with debt, and that debt averaged \$26,900—a 17 percent increase since the 2003–2004 academic year.<sup>3</sup> In addition, during the 2011–2012 academic year, roughly half of private loan borrowers did not exhaust federal Stafford loan options before taking out private student loans.<sup>4</sup> The Committee is concerned about the growing amount of student loan debt in the country and wants to ensure students are aware of the terms and conditions of their student loans and the differences between options that may be available to them. Annual counseling will now include recommendations for students to exhaust available grant, work-study, and scholarship assistance before taking out loans, a recommendation to exhaust federal student loan options before taking out a private loan, and an explanation of the rights and obligations associated with a private loan. The counseling will also include a notice that students are not required to accept the full amount of the federal student loan offered and information on any outstanding federal student loan balance the borrower may have.

The Committee believes information should be available to help students make the most informed decisions about ways to finance

<sup>1</sup> <http://www.bloomberg.com/news/2014-07-03/here-s-how-indiana-university-students-borrowed-31-million-less.html>.

<sup>2</sup> <http://www.nytimes.com/2015/09/01/upshot/why-students-with-smallest-debts-need-the-greatest-help.html>.

<sup>3</sup> <http://trends.collegeboard.org/sites/default/files/trends-student-aid-web-final-508-2.pdf>, p. 4.

<sup>4</sup> [http://ticas.org/sites/default/files/pub\\_files/private\\_loan\\_facts\\_trends.pdf](http://ticas.org/sites/default/files/pub_files/private_loan_facts_trends.pdf).

their postsecondary education and encourages the Secretary of Education to make annual percentage rates of federal student loans under part D of the *Higher Education Act* publically available to current and prospective borrowers. The Committee feels annual percentage rates will provide borrowers with accurate rates for their federal student loans, particularly as it relates to grad and parent PLUS loans, so they will not be surprised by the fees associated with them.

The Committee also believes there is other important information apart from rates that students should both be aware of and have access to when making these decisions. Federal loans for example, offer income-based repayment plans, loan forgiveness options, eligibility for deferment or forbearance, fixed interest rates, eligibility for a direct consolidation loan, and most do not require a credit check. A system designed to help students make informed choices should include these benefits as well as annual percentage rates to help borrowers determine which loan is best for them.

H.R. 3179 also requires more robust exit counseling. Under current law, students who receive federal student loans must complete exit counseling before they conclude their course of study. This counseling must include information on available repayment plans, debt management strategies, and loan forgiveness options; however, this counseling is very general and does not provide any information on the borrower's specific situation. Under H.R. 3179, exit counseling includes a statement of the borrower's outstanding loan balance; anticipated monthly payments based on the borrower's actual balance under both the standard repayment plan and income-based repayment plan, based on the borrower's anticipated salary; information on the grace period preceding repayment; and contact information for those organizations servicing the borrower's loans. The Committee believes this additional information empowers borrowers to make smarter financial decisions as they leave school and begin to repay their college loan commitments.

#### *Parent PLUS borrowers*

Parents taking out a federal loan to help their children achieve the dream of a postsecondary education comprised over 11 percent of federal student loan volume disbursed last year.<sup>5</sup> Parent borrowers are subject to the majority of the same terms, conditions, and responsibilities as student borrowers, but they can borrow up to the cost of attendance—much more than the typical student borrower. However, parent borrowers currently receive very little information about their loan obligations or assistance in planning for repayment. The Committee believes providing to parents the same information and disclosures students receive prior to taking out a loan is crucial for encouraging smart borrowing and on-time repayment. The *Empowering Students through Enhanced Financial Counseling Act* requires annual counseling for all borrowers of a Parent PLUS loan prior to, or in conjunction with, the acceptance of the Parent PLUS loan.

In 2014, the U.S. Department of Education released three-year cohort default rates for borrowers of Parent PLUS loans that covered a multi-year period from FY 2006–FY 2010. The most current

<sup>5</sup> <http://trends.collegeboard.org/sites/default/files/trends-student-aid-web-final-508-2.pdf>.

cohort default rate for borrowers who had a student at any type of school was 4.1 percent, up from 1.8 percent in 2006.<sup>6</sup> To stop this upward trend, the Committee believes these parent borrowers should be provided with counseling each year they wish to take out an additional loan. Similar to counseling for student borrowers, the counseling will provide parent borrowers individualized information on their outstanding loan balance and anticipated monthly payments based on the actual balance. The counseling will also include debt management strategies, information on the National Student Loan Data System, and contact information for the servicer of each of their loans.

*Better information for Pell Grant recipients*

The *Empowering Students through Enhanced Financial Counseling Act* requires all recipients of a Pell Grant to receive annual disclosures on the terms and conditions of their grants. The disclosures will include information on the approved educational expenses to which the grants could be applied, the conditions under which a student may be required to repay Pell Grants, and how students may seek additional assistance due to changes in their financial circumstances. Additionally, the disclosures will provide students with information on the maximum number of semesters, or the equivalent, for which they may be eligible to receive Pell Grants, as well as a statement of the actual amount of time remaining for which they personally may be eligible, and a notice that Pell Grant eligibility does not reset when a student transfers schools. The information will ensure students are aware of their time-limited eligibility to receive Pell Grants and would encourage them to complete their academic program prior to exhausting their eligibility for the program. The Committee recognizes the important role the Pell Grant program plays in helping low-income students access and complete a postsecondary education and does not intend for this counseling to be a hurdle for students to receive their grants. H.R. 3179 ensures those students have the knowledge needed to use their Pell Grant eligibility in the most effective way possible.

*Developing a consumer-tested online tool*

A recent study on federally mandated student loan counseling that examined actual borrowers going through the federal government's online counseling tool found borrowers thought the tool to be too text heavy and wanted more personalized information.<sup>7</sup> The Committee appreciates the work the U.S. Department of Education has done in creating the Financial Awareness Counseling tool but believes more can be done to make the tool more relevant and meaningful for borrowers. The *Empowering Students through Enhanced Financial Counseling Act* requires the Secretary to maintain an online counseling tool institutions can use to provide required counseling to their students. The Committee expects the U.S. Department of Education to build upon the existing tool to meet this requirement of the legislation. Additionally, H.R. 3179 requires the Department to conduct consumer testing of the online

<sup>6</sup> <http://www2.ed.gov/policy/highered/reg/hearulemaking/2012/programintegrity.html>.

<sup>7</sup> [http://chronicle.com/blogs/headcount/new-research-points-to-gaps-in-student-loan-counseling/38665?cid=at&utm\\_source=at&utm\\_medium=en](http://chronicle.com/blogs/headcount/new-research-points-to-gaps-in-student-loan-counseling/38665?cid=at&utm_source=at&utm_medium=en).

financial aid counseling tool, in consultation with other relevant federal agencies, to ensure the information provided through the tool is presented in the most user-friendly manner possible to better assist students and parents in understanding their rights and obligations with respect to borrowing student loans or receiving Pell Grants.

Recognizing some institutions already provide their students with robust loan counseling, H.R. 3179 allows institutions to choose the manner in which they provide counseling to their students and parents. Institutions have the option to provide financial counseling directly, either during an in-person session or through an online tool created for or by the institution, or an institution can elect to have the students use the consumer-tested online tool administered by the Department. If an institution opts to provide the counseling themselves, the Committee notes an institution will meet the requirements under H.R. 3179 by contracting with entities that have experience in offering this type of counseling to students, such as guaranty agencies. If an institution chooses to use the U.S. Department of Education's online tool, the Department will then be responsible for keeping a record of which individuals have completed counseling and notifying borrowers of the obligation to complete the counseling.

*Ensuring counseling is effective*

The *Empowering Students through Enhanced Financial Counseling Act* directs the Secretary, acting through the Director of IES, to conduct a rigorous longitudinal study of the impact and effectiveness of loan counseling on student persistence, program completion, successful entry into repayment, and cumulative borrowing, among other factors. The evaluation will explore how counseling affects outcomes for students of different races, ethnicities, genders, and income levels. This study is intended to help inform Congress, the Secretary, and institutions of whether further policy changes need to be made to promote successful outcomes.

*Conclusion*

The current financial counseling policies are inadequate for providing student and parent borrowers with the information they need to plan for college costs and responsibly manage their loan repayment. Currently, counseling occurs too late to guide students' decisions for smart borrowing and too infrequently to make a lasting impression about the implications of student debt. The *Empowering Students through Enhanced Financial Counseling Act* provides students and parents the tools and information they need to borrow and repay their student loans in a responsible way.

SECTION-BY-SECTION ANALYSIS

*Section 1. Short title*

States the short title is the *Empowering Students through Enhanced Financial Counseling Act*.

*Section 2. Annual counseling*

Amends section 485(1) of the *Higher Education Act* to require institutions to ensure each individual who receives a federal student

loan also receives interactive annual counseling on the terms, conditions, and responsibilities of such loan. Likewise, Pell Grant recipients will receive annual counseling on the terms, conditions, and responsibilities of their grants.

Requires institutions to ensure, as a part of carrying out the counseling requirements, all federal student loan borrowers annually affirmatively accept new loans prior to the disbursement of those loans.

*Section 3. Exit counseling*

Amends section 485(b) of the *Higher Education Act* to ensure students who receive federal student loans receive individualized, interactive exit counseling regarding their loan portfolios and repayment options.

*Section 4. Online counseling tools*

Requires the Secretary to maintain consumer-tested online counseling tools that provide the required annual and exit counseling.

*Section 5. Longitudinal study on the effectiveness of student loan counseling*

Requires the Secretary, acting through the Director of IES, to begin conducting a rigorous, longitudinal study of the impact and effectiveness of the counseling under section 485(b), (l), and (n), as well as counseling provided through other means determined by the Secretary. Requires the Secretary to report findings to the appropriate committees of Congress no later than 18 months after the study's commencement and annually thereafter.

*Section 6. Availability of funds*

Reserves \$2 million from funding authorized to be appropriated for maintaining the U.S. Department of Education's Financial Awareness Counseling tool to be available to carry out this legislation and specifies no additional funds are authorized to be appropriated by this legislation.

EXPLANATION OF AMENDMENTS

The amendments, including the amendment in the nature of a substitute, are explained in the body of this report.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch. H.R. 3179, the *Empowering Students through Enhanced Financial Counseling Act*, promotes financial literacy through enhanced counseling for recipients of federal financial aid.

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandates Reform Act, P.L. 104–4) requires a statement of whether the provisions of the reported bill include unfunded mandates. This issue is addressed in the CBO letter.

## EARMARK STATEMENT

H.R. 3179 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of House Rule XXI.

## STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause (3)(c) of House Rule XIII, the goals of H.R. 3179 are to promote financial literacy through enhanced counseling for recipients of federal financial aid.

## DUPLICATION OF FEDERAL PROGRAMS

No provision of H.R. 3179 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

## DISCLOSURE OF DIRECTED RULE MAKINGS

The committee estimates that enacting H.R. 3179 does not specifically direct the completion of any specific rule makings within the meaning of 5 U.S.C. 551.

## STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the committee's oversight findings and recommendations are reflected in the body of this report.

## NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the committee has received the following estimate for H.R. 3179 from the Director of the Congressional Budget Office:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, July 5, 2016.*

Hon. JOHN KLINE,  
*Chairman, Committee on Education and the Workforce,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3179, the Empowering Students Through Enhanced Financial Counseling Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Justin Humphrey.

Sincerely,

KEITH HALL.

Enclosure.

*H.R. 3179—Empowering Students Through Enhanced Financial Counseling Act*

H.R. 3179 would reserve \$2 million from funding for the Department of Education to change the requirements for counseling students who participate in the federal student aid programs, such as federal student loans and Pell grants, and to study the effectiveness of that counseling.

CBO estimates that implementing H.R. 3179 would cost \$2 million for the department's administrative expenses over the 2017–2021 period; such spending would be subject to the availability of appropriated funds.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 3179 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 3179 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Justin Humphrey. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 3179. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

**HIGHER EDUCATION ACT OF 1965**

\* \* \* \* \*



## TITLE IV—STUDENT ASSISTANCE

\* \* \* \* \*

## PART G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE PROGRAMS

\* \* \* \* \*

**SEC. 485. INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS.**

(a) INFORMATION DISSEMINATION ACTIVITIES.—(1) Each eligible institution participating in any program under this title shall carry out information dissemination activities for prospective and enrolled students (including those attending or planning to attend less than full time) regarding the institution and all financial assistance under this title. The information required by this section shall be produced and be made readily available upon request, through appropriate publications, mailings, and electronic media, to an enrolled student and to any prospective student. Each eligible institution shall, on an annual basis, provide to all enrolled students a list of the information that is required to be provided by institutions to students by this section and section 444 of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”), together with a statement of the procedures required to obtain such information. The information required by this section shall accurately describe—

(A) the student financial assistance programs available to students who enroll at such institution;

(B) the methods by which such assistance is distributed among student recipients who enroll at such institution;

(C) any means, including forms, by which application for student financial assistance is made and requirements for accurately preparing such application;

(D) the rights and responsibilities of students receiving financial assistance under this title;

(E) the cost of attending the institution, including (i) tuition and fees, (ii) books and supplies, (iii) estimates of typical student room and board costs or typical commuting costs, and (iv) any additional cost of the program in which the student is enrolled or expresses a specific interest;

(F) a statement of—

(i) the requirements of any refund policy with which the institution is required to comply;

(ii) the requirements under section 484B for the return of grant or loan assistance provided under this title; and

(iii) the requirements for officially withdrawing from the institution;

(G) the academic program of the institution, including (i) the current degree programs and other educational and training programs, (ii) the instructional, laboratory, and other physical plant facilities which relate to the academic program, (iii) the faculty and other instructional personnel, and (iv) any plans by the institution for improving the academic program of the institution;

(H) each person designated under subsection (c) of this section, and the methods by which and locations in which any

person so designated may be contacted by students and prospective students who are seeking information required by this subsection;

(I) special facilities and services available to students with disabilities;

(J) the names of associations, agencies, or governmental bodies which accredit, approve, or license the institution and its programs, and the procedures under which any current or prospective student may obtain or review upon request a copy of the documents describing the institution's accreditation, approval, or licensing;

(K) the standards which the student must maintain in order to be considered to be making satisfactory progress, pursuant to section 484(a)(2);

(L) the completion or graduation rate of certificate- or degree-seeking, full-time, undergraduate students entering such institutions;

(M) the terms and conditions of the loans that students receive under parts B, D, and E;

(N) that enrollment in a program of study abroad approved for credit by the home institution may be considered enrollment in the home institution for purposes of applying for Federal student financial assistance;

(O) the campus crime report prepared by the institution pursuant to subsection (f), including all required reporting categories;

(P) institutional policies and sanctions related to copyright infringement, including—

(i) an annual disclosure that explicitly informs students that unauthorized distribution of copyrighted material, including unauthorized peer-to-peer file sharing, may subject the students to civil and criminal liabilities;

(ii) a summary of the penalties for violation of Federal copyright laws; and

(iii) a description of the institution's policies with respect to unauthorized peer-to-peer file sharing, including disciplinary actions that are taken against students who engage in unauthorized distribution of copyrighted materials using the institution's information technology system;

(Q) student body diversity at the institution, including information on the percentage of enrolled, full-time students who—

(i) are male;

(ii) are female;

(iii) receive a Federal Pell Grant; and

(iv) are a self-identified member of a major racial or ethnic group;

(R) the placement in employment of, and types of employment obtained by, graduates of the institution's degree or certificate programs, gathered from such sources as alumni surveys, student satisfaction surveys, the National Survey of Student Engagement, the Community College

Survey of Student Engagement, State data systems, or other relevant sources;

(S) the types of graduate and professional education in which graduates of the institution's four-year degree programs enrolled, gathered from such sources as alumni surveys, student satisfaction surveys, the National Survey of Student Engagement, State data systems, or other relevant sources;

(T) the fire safety report prepared by the institution pursuant to subsection (i);

(U) the retention rate of certificate- or degree-seeking, first-time, full-time, undergraduate students entering such institution; and

(V) institutional policies regarding vaccinations.

(2) For the purpose of this section, the term "prospective student" means any individual who has contacted an eligible institution requesting information concerning admission to that institution.

(3) In calculating the completion or graduation rate under subparagraph (L) of paragraph (1) of this subsection or under subsection (e), a student shall be counted as a completion or graduation if, within 150 percent of the normal time for completion of or graduation from the program, the student has completed or graduated from the program, or enrolled in any program of an eligible institution for which the prior program provides substantial preparation. The information required to be disclosed under such subparagraph—

(A) shall be made available by July 1 each year to enrolled students and prospective students prior to the students enrolling or entering into any financial obligation; and

(B) shall cover the one-year period ending on August 31 of the preceding year.

(4) For purposes of this section, institutions may—

(A) exclude from the information disclosed in accordance with subparagraph (L) of paragraph (1) the completion or graduation rates of students who leave school to serve in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government; or

(B) in cases where the students described in subparagraph (A) represent 20 percent or more of the certificate- or degree-seeking, full-time, undergraduate students at the institution, recalculate the completion or graduation rates of such students by excluding from the calculation described in paragraph (3) the time period during which such students were not enrolled due to their service in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government.

(5) The Secretary shall permit any institution of higher education that is a member of an athletic association or athletic conference that has voluntarily published completion or graduation rate data or has agreed to publish data that, in the opinion of the Secretary, is substantially comparable to the information required under this subsection, to use such data to satisfy the requirements of this subsection; and

(6) Each institution may provide supplemental information to enrolled and prospective students showing the completion or graduation rate for students described in paragraph (4) or for students transferring into the institution or information showing the rate at which students transfer out of the institution.

(7)(A)(i) Subject to clause (ii), the information disseminated under paragraph (1)(L), or reported under subsection (e), shall be disaggregated by gender, by each major racial and ethnic subgroup, by recipients of a Federal Pell Grant, by recipients of a loan made under part B or D (other than a loan made under section 428H or a Federal Direct Unsubsidized Stafford Loan) who did not receive a Federal Pell Grant, and by recipients of neither a Federal Pell Grant nor a loan made under part B or D (other than a loan made under section 428H or a Federal Direct Unsubsidized Stafford Loan), if the number of students in such subgroup or with such status is sufficient to yield statistically reliable information and reporting will not reveal personally identifiable information about an individual student. If such number is not sufficient for such purposes, then the institution shall note that the institution enrolled too few of such students to so disclose or report with confidence and confidentiality.

(ii) The requirements of clause (i) shall not apply to two-year, degree-granting institutions of higher education until academic year 2011-2012.

(B)(i) In order to assist two-year degree-granting institutions of higher education in meeting the requirements of paragraph (1)(L) and subsection (e), the Secretary, in consultation with the Commissioner for Education Statistics, shall, not later than 90 days after the date of enactment of the Higher Education Opportunity Act, convene a group of representatives from diverse institutions of higher education, experts in the field of higher education policy, state higher education officials, students, and other stakeholders in the higher education community, to develop recommendations regarding the accurate calculation and reporting of the information required to be disseminated or reported under paragraph (1)(L) and subsection (e) by two-year, degree-granting institutions of higher education. In developing such recommendations, the group of representatives shall consider the mission and role of two-year degree-granting institutions of higher education, and may recommend additional or alternative measures of student success for such institutions in light of the mission and role of such institutions.

(ii) The Secretary shall widely disseminate the recommendations required under this subparagraph to two-year, degree-granting institutions of higher education, the public, and the authorizing committees not later than 18 months after the first meeting of the group of representatives convened under clause (i).

(iii) The Secretary shall use the recommendations from the group of representatives convened under clause (i) to provide technical assistance to two-year, degree-granting institutions of higher education in meeting the requirements of paragraph (1)(L) and subsection (e).

(iv) The Secretary may modify the information required to be disseminated or reported under paragraph (1)(L) or subsection (e) by a two-year, degree-granting institution of higher education—

(I) based on the recommendations received under this subparagraph from the group of representatives convened under clause (i);

(II) to include additional or alternative measures of student success if the goals of the provisions of paragraph (1)(L) and subsection (e) can be met through additional means or comparable alternatives; and

(III) during the period beginning on the date of enactment of the Higher Education Opportunity Act, and ending on June 30, 2011.

(b) EXIT COUNSELING FOR BORROWERS.—(1)(A) Each eligible institution shall, **【through financial aid offices or otherwise】** *through the use of an interactive program, during an exit counseling session that is in-person or online, or through the use of the online counseling tool described in subsection (n)(1)(A)*, provide counseling to borrowers of loans that are made, insured, or guaranteed under part B (other than loans made pursuant to section 428C or loans under section 428B made on behalf of a student) or made under part D (other than Federal Direct Consolidation Loans or Federal Direct PLUS Loans made on behalf of a student) or made under part E of this title prior to the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution. The counseling required by this subsection shall include—

(i) *a summary of the outstanding balance of principal and interest due on the loans made to the borrower under part B, D, or E;*

(ii) *an explanation of the grace period preceding repayment and the expected date that the borrower will enter repayment;*

(iii) *an explanation that the borrower has the option to pay any interest that has accrued while the borrower was in school or that may accrue during the grace period preceding repayment or during an authorized period of deferment or forbearance, prior to the capitalization of the interest;*

**【(i)】** *(iv) information on the repayment plans available, including a description of the different features 【of each plan】 of at least the standard repayment plan and the income-based repayment plan under section 493C and 【sample information showing the average】 information, based on the borrower's outstanding balance described in clause (i), showing the borrower's anticipated monthly payments, and the difference in interest paid and total payments, under each plan;*

**【(ii)】** *(v) debt management strategies that are designed to facilitate the repayment of such indebtedness;*

**【(iii)】** *(vi) an explanation that the borrower has the options to prepay each loan, pay each loan on a shorter schedule, and change repayment plans;*

**【(iv)】** *(vii) for any loan forgiveness or cancellation provision of this title, a general description of the terms and conditions under which the borrower may obtain full or partial forgiveness or cancellation of the principal and interest, and a copy*

of the information provided by the Secretary under section 485(d);

[(v)] (viii) for any forbearance provision of this title, a general description of the terms and conditions under which the borrower may defer repayment of principal or interest or be granted forbearance, and a copy of the information provided by the Secretary under section 485(d);

[(vi)] (ix) the consequences of defaulting on a loan, including adverse credit reports, *decreased credit score*, delinquent debt collection procedures under Federal law, *reduced ability to rent or purchase a home or car*, *potential difficulty in securing employment*, and litigation;

[(vii)] (x) information on the effects of using a [consolidation loan under section 428C or a] Federal Direct Consolidation Loan to discharge the borrower's loans under parts B, D, and E, including at a minimum—

(I) the effects of consolidation on total interest to be paid, fees to be paid, and length of repayment;

(II) the effects of consolidation on a borrower's underlying loan benefits, including grace periods, loan forgiveness, cancellation, and deferment opportunities;

(III) the option of the borrower to prepay the loan or to change repayment plans; and

(IV) that borrower benefit programs may vary among different lenders;

[(viii)] (xi) a general description of the types of tax benefits that may be available to borrowers; [and]

[(ix)] (xii) a notice to borrowers about the availability of the National Student Loan Data System and how the system can be used by a borrower to obtain information on the status of the borrower's loans; [and]

(xiii) for each of the borrower's loans made under part B, D, or E for which the borrower is receiving counseling under this subsection, the contact information for the loan servicer of the loan and a link to such servicer's Website; and

(xiv) an explanation that an individual has a right to annually request a disclosure of information collected by a consumer reporting agency pursuant to section 612(a) of the Fair Credit Reporting Act (15 U.S.C. 1681j(a)).

(B) In the case of borrower who leaves an institution without the prior knowledge of the institution, the institution shall attempt to provide the information described in subparagraph (A) to the student *online or in writing, except that in the case of an institution using the online counseling tool described in subsection (n)(1)(A), the Secretary shall attempt to provide such information to the student in the manner described in subsection (n)(3)(C).*

(2)(A) Each eligible institution shall require that the borrower of a loan made under part B, D, or E submit to the institution, during the exit interview required by this subsection—

(i) the borrower's expected permanent address after leaving the institution (regardless of the reason for leaving);

(ii) the name and address of the borrower's expected employer after leaving the institution;

(iii) the address of the borrower's next of kin; and

(iv) any corrections in the institution's records relating the borrower's name, address, social security number, references, and driver's license number.

(B) The institution shall, within 60 days after the interview, forward any corrected or completed information received from the borrower to the guaranty agency indicated on the borrower's student aid records.

(C) Nothing in this subsection shall be construed to prohibit an institution of higher education from utilizing electronic means, such as the *online counseling tool described in subsection (n)(1)(A)*, to provide personalized exit counseling.

(c) FINANCIAL ASSISTANCE INFORMATION PERSONNEL.—Each eligible institution shall designate an employee or group of employees who shall be available on a full-time basis to assist students or potential students in obtaining information as specified in subsection (a). The Secretary may, by regulation, waive the requirement that an employee or employees be available on a full-time basis for carrying out responsibilities required under this section whenever an institution in which the total enrollment, or the portion of the enrollment participating in programs under this title at that institution, is too small to necessitate such employee or employees being available on a full-time basis. No such waiver may include permission to exempt any such institution from designating a specific individual or a group of individuals to carry out the provisions of this section.

(d) DEPARTMENTAL PUBLICATION OF DESCRIPTIONS OF ASSISTANCE PROGRAMS.—(1) The Secretary shall make available to eligible institutions, eligible lenders, and secondary schools descriptions of Federal student assistance programs including the rights and responsibilities of student and institutional participants, in order to (A) assist students in gaining information through institutional sources, and (B) assist institutions in carrying out the provisions of this section, so that individual and institutional participants will be fully aware of their rights and responsibilities under such programs. In particular, such information shall include information to enable students and prospective students to assess the debt burden and monthly and total repayment obligations that will be incurred as a result of receiving loans of varying amounts under this title. Such information shall also include information on the various payment options available for student loans, including income-sensitive and income-based repayment plans for loans made, insured, or guaranteed under part B and income-contingent and income-based repayment plans for loans made under part D. In addition, such information shall include information to enable borrowers to assess the practical consequences of loan consolidation, including differences in deferment eligibility, interest rates, monthly payments, and finance charges, and samples of loan consolidation profiles to illustrate such consequences. The Secretary shall provide information concerning the specific terms and conditions under which students may obtain partial or total cancellation or defer repayment of loans for service, shall indicate (in terms of the Federal minimum wage) the maximum level of compensation and allowances that a student borrower may receive from a tax-exempt organization to qualify for a deferment, and shall explicitly state that students may qualify for such partial cancellations or deferments

when they serve as a paid employee of a tax-exempt organization. The Secretary shall also provide information on loan forbearance, including the increase in debt that results from capitalization of interest. Such information shall be provided by eligible institutions and eligible lenders at any time that information regarding loan availability is provided to any student.

(2) The Secretary, to the extent the information is available, shall compile information describing State and other prepaid tuition programs and savings programs and disseminate such information to States, eligible institutions, students, and parents in departmental publications.

(3) The Secretary, to the extent practicable, shall update the Department's Internet site to include direct links to databases that contain information on public and private financial assistance programs. The Secretary shall only provide direct links to databases that can be accessed without charge and shall make reasonable efforts to verify that the databases included in a direct link are not providing fraudulent information. The Secretary shall prominently display adjacent to any such direct link a disclaimer indicating that a direct link to a database does not constitute an endorsement or recommendation of the database, the provider of the database, or any services or products of such provider. The Secretary shall provide additional direct links to information resources from which students may obtain information about fraudulent and deceptive practices in the provision of services related to student financial aid.

(4) The Secretary shall widely publicize the location of the information described in paragraph (1) among the public, eligible institutions, and eligible lenders, and promote the use of such information by prospective students, enrolled students, families of prospective and enrolled students, and borrowers.

(e) DISCLOSURES REQUIRED WITH RESPECT TO ATHLETICALLY RELATED STUDENT AID.—(1) Each institution of higher education which participates in any program under this title and is attended by students receiving athletically related student aid shall annually submit a report to the Secretary which contains—

(A) the number of students at the institution of higher education who received athletically related student aid broken down by race and sex in the following sports: basketball, football, baseball, cross country/track, and all other sports combined;

(B) the number of students at the institution of higher education, broken down by race and sex;

(C) the completion or graduation rate for students at the institution of higher education who received athletically related student aid broken down by race and sex in the following sports: basketball, football, baseball, cross country/track and all other sports combined;

(D) the completion or graduation rate for students at the institution of higher education, broken down by race and sex;

(E) the average completion or graduation rate for the 4 most recent completing or graduating classes of students at the institution of higher education who received athletically related student aid broken down by race and sex in the following cat-



egories: basketball, football, baseball, cross country/track, and all other sports combined; and

(F) the average completion or graduation rate for the 4 most recent completing or graduating classes of students at the institution of higher education broken down by race and sex.

(2) When an institution described in paragraph (1) of this subsection offers a potential student athlete athletically related student aid, such institution shall provide to the student and the student's parents, guidance counselor, and coach the information contained in the report submitted by such institution pursuant to paragraph (1). If the institution is a member of a national collegiate athletic association that compiles graduation rate data on behalf of the association's member institutions that the Secretary determines is substantially comparable to the information described in paragraph (1), the distribution of the compilation of such data to all secondary schools in the United States shall fulfill the responsibility of the institution to provide information to a prospective student athlete's guidance counselor and coach.

(3) For purposes of this subsection, institutions may—

(A) exclude from the reporting requirements under paragraphs (1) and (2) the completion or graduation rates of students and student athletes who leave school to serve in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government; or

(B) in cases where the students described in subparagraph (A) represent 20 percent or more of the certificate- or degree-seeking, full-time, undergraduate students at the institution, calculate the completion or graduation rates of such students by excluding from the calculations described in paragraph (1) the time period during which such students were not enrolled due to their service in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government.

(4) Each institution of higher education described in paragraph (1) may provide supplemental information to students and the Secretary showing the completion or graduation rate when such completion or graduation rate includes students transferring into and out of such institution.

(5) The Secretary, using the reports submitted under this subsection, shall compile and publish a report containing the information required under paragraph (1) broken down by—

(A) individual institutions of higher education; and

(B) athletic conferences recognized by the National Collegiate Athletic Association and the National Association of Intercollegiate Athletics.

(6) The Secretary shall waive the requirements of this subsection for any institution of higher education that is a member of an athletic association or athletic conference that has voluntarily published completion or graduation rate data or has agreed to publish data that, in the opinion of the Secretary, is substantially comparable to the information required under this subsection.

(7) The Secretary, in conjunction with the National Junior College Athletic Association, shall develop and obtain data on completion or graduation rates from two-year colleges that award athlet-

ically related student aid. Such data shall, to the extent practicable, be consistent with the reporting requirements set forth in this section.

(8) For purposes of this subsection, the term “athletically related student aid” means any scholarship, grant, or other form of financial assistance the terms of which require the recipient to participate in a program of intercollegiate athletics at an institution of higher education in order to be eligible to receive such assistance.

(9) The reports required by this subsection shall be due each July 1 and shall cover the 1-year period ending August 31 of the preceding year.

(f) DISCLOSURE OF CAMPUS SECURITY POLICY AND CAMPUS CRIME STATISTICS.—(1) Each eligible institution participating in any program under this title, other than a foreign institution of higher education, shall on August 1, 1991, begin to collect the following information with respect to campus crime statistics and campus security policies of that institution, and beginning September 1, 1992, and each year thereafter, prepare, publish, and distribute, through appropriate publications or mailings, to all current students and employees, and to any applicant for enrollment or employment upon request, an annual security report containing at least the following information with respect to the campus security policies and campus crime statistics of that institution:

(A) A statement of current campus policies regarding procedures and facilities for students and others to report criminal actions or other emergencies occurring on campus and policies concerning the institution’s response to such reports.

(B) A statement of current policies concerning security and access to campus facilities, including campus residences, and security considerations used in the maintenance of campus facilities.

(C) A statement of current policies concerning campus law enforcement, including—

(i) the law enforcement authority of campus security personnel;

(ii) the working relationship of campus security personnel with State and local law enforcement agencies, including whether the institution has agreements with such agencies, such as written memoranda of understanding, for the investigation of alleged criminal offenses; and

(iii) policies which encourage accurate and prompt reporting of all crimes to the campus police and the appropriate law enforcement agencies, when the victim of such crime elects or is unable to make such a report.

(D) A description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others.

(E) A description of programs designed to inform students and employees about the prevention of crimes.

(F) Statistics concerning the occurrence on campus, in or on noncampus buildings or property, and on public property during the most recent calendar year, and during the 2 preceding calendar years for which data are available—

(i) of the following criminal offenses reported to campus security authorities or local police agencies:

- (I) murder;
- (II) sex offenses, forcible or nonforcible;
- (III) robbery;
- (IV) aggravated assault;
- (V) burglary;
- (VI) motor vehicle theft;
- (VII) manslaughter;
- (VIII) arson;
- (IX) arrests or persons referred for campus disciplinary action for liquor law violations, drug-related violations, and weapons possession; and

(ii) of the crimes described in subclauses (I) through (VIII) of clause (i), of larceny-theft, simple assault, intimidation, and destruction, damage, or vandalism of property, and of other crimes involving bodily injury to any person, in which the victim is intentionally selected because of the actual or perceived race, gender, religion, national origin, sexual orientation, gender identity, ethnicity, or disability of the victim that are reported to campus security authorities or local police agencies, which data shall be collected and reported according to category of prejudice; and

(iii) of domestic violence, dating violence, and stalking incidents that were reported to campus security authorities or local police agencies.

(G) A statement of policy concerning the monitoring and recording through local police agencies of criminal activity at off-campus student organizations which are recognized by the institution and that are engaged in by students attending the institution, including those student organizations with off-campus housing facilities.

(H) A statement of policy regarding the possession, use, and sale of alcoholic beverages and enforcement of State underage drinking laws and a statement of policy regarding the possession, use, and sale of illegal drugs and enforcement of Federal and State drug laws and a description of any drug or alcohol abuse education programs as required under section 120 of this Act.

(I) A statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(j)), concerning registered sex offenders may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.

(J) A statement of current campus policies regarding immediate emergency response and evacuation procedures, including the use of electronic and cellular communication (if appropriate), which policies shall include procedures to—

- (i) immediately notify the campus community upon the confirmation of a significant emergency or dangerous situation involving an immediate threat to the health or safety of students or staff occurring on the

campus, as defined in paragraph (6), unless issuing a notification will compromise efforts to contain the emergency;

(ii) publicize emergency response and evacuation procedures on an annual basis in a manner designed to reach students and staff; and

(iii) test emergency response and evacuation procedures on an annual basis.

(2) Nothing in this subsection shall be construed to authorize the Secretary to require particular policies, procedures, or practices by institutions of higher education with respect to campus crimes or campus security.

(3) Each institution participating in any program under this title, other than a foreign institution of higher education, shall make timely reports to the campus community on crimes considered to be a threat to other students and employees described in paragraph (1)(F) that are reported to campus security or local law police agencies. Such reports shall be provided to students and employees in a manner that is timely, that withholds the names of victims as confidential, and that will aid in the prevention of similar occurrences.

(4)(A) Each institution participating in any program under this title, other than a foreign institution of higher education, that maintains a police or security department of any kind shall make, keep, and maintain a daily log, written in a form that can be easily understood, recording all crimes reported to such police or security department, including—

(i) the nature, date, time, and general location of each crime; and

(ii) the disposition of the complaint, if known.

(B)(i) All entries that are required pursuant to this paragraph shall, except where disclosure of such information is prohibited by law or such disclosure would jeopardize the confidentiality of the victim, be open to public inspection within two business days of the initial report being made to the department or a campus security authority.

(ii) If new information about an entry into a log becomes available to a police or security department, then the new information shall be recorded in the log not later than two business days after the information becomes available to the police or security department.

(iii) If there is clear and convincing evidence that the release of such information would jeopardize an ongoing criminal investigation or the safety of an individual, cause a suspect to flee or evade detection, or result in the destruction of evidence, such information may be withheld until that damage is no longer likely to occur from the release of such information.

(5) On an annual basis, each institution participating in any program under this title, other than a foreign institution of higher education, shall submit to the Secretary a copy of the statistics required to be made available under paragraph (1)(F). The Secretary shall—

(A) review such statistics and report to the authorizing committees on campus crime statistics by September 1, 2000;

(B) make copies of the statistics submitted to the Secretary available to the public; and

(C) in coordination with representatives of institutions of higher education, identify exemplary campus security policies, procedures, and practices and disseminate information concerning those policies, procedures, and practices that have proven effective in the reduction of campus crime.

(6)(A) In this subsection:

(i) The terms “dating violence”, “domestic violence”, and “stalking” have the meaning given such terms in section 40002(a) of the Violence Against Women Act of 1994 (42 U.S.C. 13925(a)).

(ii) The term “campus” means—

(I) any building or property owned or controlled by an institution of higher education within the same reasonably contiguous geographic area of the institution and used by the institution in direct support of, or in a manner related to, the institution’s educational purposes, including residence halls; and

(II) property within the same reasonably contiguous geographic area of the institution that is owned by the institution but controlled by another person, is used by students, and supports institutional purposes (such as a food or other retail vendor).

(iii) The term “noncampus building or property” means—

(I) any building or property owned or controlled by a student organization recognized by the institution; and

(II) any building or property (other than a branch campus) owned or controlled by an institution of higher education that is used in direct support of, or in relation to, the institution’s educational purposes, is used by students, and is not within the same reasonably contiguous geographic area of the institution.

(iv) The term “public property” means all public property that is within the same reasonably contiguous geographic area of the institution, such as a sidewalk, a street, other thoroughfare, or parking facility, and is adjacent to a facility owned or controlled by the institution if the facility is used by the institution in direct support of, or in a manner related to the institution’s educational purposes.

(v) The term “sexual assault” means an offense classified as a forcible or nonforcible sex offense under the uniform crime reporting system of the Federal Bureau of Investigation.

(B) In cases where branch campuses of an institution of higher education, schools within an institution of higher education, or administrative divisions within an institution are not within a reasonably contiguous geographic area, such entities shall be considered separate campuses for purposes of the reporting requirements of this section.

(7) The statistics described in clauses (i) and (ii) of paragraph (1)(F) shall be compiled in accordance with the definitions used in the uniform crime reporting system of the Department of Justice, Federal Bureau of Investigation, and the modifications in such definitions as implemented pursuant to the Hate Crime Statistics Act. For the offenses of domestic violence, dating violence, and stalking,

such statistics shall be compiled in accordance with the definitions used in section 40002(a) of the Violence Against Women Act of 1994 (42 U.S.C. 13925(a)). Such statistics shall not identify victims of crimes or persons accused of crimes.

(8)(A) Each institution of higher education participating in any program under this title and title IV of the Economic Opportunity Act of 1964, other than a foreign institution of higher education, shall develop and distribute as part of the report described in paragraph (1) a statement of policy regarding—

(i) such institution's programs to prevent domestic violence, dating violence, sexual assault, and stalking; and

(ii) the procedures that such institution will follow once an incident of domestic violence, dating violence, sexual assault, or stalking has been reported, including a statement of the standard of evidence that will be used during any institutional conduct proceeding arising from such a report.

(B) The policy described in subparagraph (A) shall address the following areas:

(i) Education programs to promote the awareness of rape, acquaintance rape, domestic violence, dating violence, sexual assault, and stalking, which shall include—

(I) primary prevention and awareness programs for all incoming students and new employees, which shall include—

(aa) a statement that the institution of higher education prohibits the offenses of domestic violence, dating violence, sexual assault, and stalking;

(bb) the definition of domestic violence, dating violence, sexual assault, and stalking in the applicable jurisdiction;

(cc) the definition of consent, in reference to sexual activity, in the applicable jurisdiction;

(dd) safe and positive options for bystander intervention that may be carried out by an individual to prevent harm or intervene when there is a risk of domestic violence, dating violence, sexual assault, or stalking against a person other than such individual;

(ee) information on risk reduction to recognize warning signs of abusive behavior and how to avoid potential attacks; and

(ff) the information described in clauses (ii) through (vii); and

(II) ongoing prevention and awareness campaigns for students and faculty, including information described in items (aa) through (ff) of subclause (I).

(ii) Possible sanctions or protective measures that such institution may impose following a final determination of an institutional disciplinary procedure regarding rape, acquaintance rape, domestic violence, dating violence, sexual assault, or stalking.

(iii) Procedures victims should follow if a sex offense, domestic violence, dating violence, sexual assault, or stalking has occurred, including information in writing about—

(I) the importance of preserving evidence as may be necessary to the proof of criminal domestic violence, dating vi-

- olence, sexual assault, or stalking, or in obtaining a protection order;
- (II) to whom the alleged offense should be reported;
  - (III) options regarding law enforcement and campus authorities, including notification of the victim's option to—
    - (aa) notify proper law enforcement authorities, including on-campus and local police;
    - (bb) be assisted by campus authorities in notifying law enforcement authorities if the victim so chooses; and
    - (cc) decline to notify such authorities; and
  - (IV) where applicable, the rights of victims and the institution's responsibilities regarding orders of protection, no contact orders, restraining orders, or similar lawful orders issued by a criminal, civil, or tribal court.
- (iv) Procedures for institutional disciplinary action in cases of alleged domestic violence, dating violence, sexual assault, or stalking, which shall include a clear statement that—
- (I) such proceedings shall—
    - (aa) provide a prompt, fair, and impartial investigation and resolution; and
    - (bb) be conducted by officials who receive annual training on the issues related to domestic violence, dating violence, sexual assault, and stalking and how to conduct an investigation and hearing process that protects the safety of victims and promotes accountability;
  - (II) the accuser and the accused are entitled to the same opportunities to have others present during an institutional disciplinary proceeding, including the opportunity to be accompanied to any related meeting or proceeding by an advisor of their choice; and
  - (III) both the accuser and the accused shall be simultaneously informed, in writing, of—
    - (aa) the outcome of any institutional disciplinary proceeding that arises from an allegation of domestic violence, dating violence, sexual assault, or stalking;
    - (bb) the institution's procedures for the accused and the victim to appeal the results of the institutional disciplinary proceeding;
    - (cc) of any change to the results that occurs prior to the time that such results become final; and
    - (dd) when such results become final.
- (v) Information about how the institution will protect the confidentiality of victims, including how publicly-available recordkeeping will be accomplished without the inclusion of identifying information about the victim, to the extent permissible by law.
- (vi) Written notification of students and employees about existing counseling, health, mental health, victim advocacy, legal assistance, and other services available for victims both on-campus and in the community.
- (vii) Written notification of victims about options for, and available assistance in, changing academic, living, transportation, and working situations, if so requested by the victim

and if such accommodations are reasonably available, regardless of whether the victim chooses to report the crime to campus police or local law enforcement.

(C) A student or employee who reports to an institution of higher education that the student or employee has been a victim of domestic violence, dating violence, sexual assault, or stalking, whether the offense occurred on or off campus, shall be provided with a written explanation of the student or employee's rights and options, as described in clauses (ii) through (vii) of subparagraph (B).

(9) The Secretary, in consultation with the Attorney General of the United States, shall provide technical assistance in complying with the provisions of this section to an institution of higher education who requests such assistance.

(10) Nothing in this section shall be construed to require the reporting or disclosure of privileged information.

(11) The Secretary shall report to the appropriate committees of Congress each institution of higher education that the Secretary determines is not in compliance with the reporting requirements of this subsection.

(12) For purposes of reporting the statistics with respect to crimes described in paragraph (1)(F), an institution of higher education shall distinguish, by means of separate categories, any criminal offenses that occur—

(A) on campus;

(B) in or on a noncampus building or property;

(C) on public property; and

(D) in dormitories or other residential facilities for students on campus.

(13) Upon a determination pursuant to section 487(c)(3)(B) that an institution of higher education has substantially misrepresented the number, location, or nature of the crimes required to be reported under this subsection, the Secretary shall impose a civil penalty upon the institution in the same amount and pursuant to the same procedures as a civil penalty is imposed under section 487(c)(3)(B).

(14)(A) Nothing in this subsection may be construed to—

(i) create a cause of action against any institution of higher education or any employee of such an institution for any civil liability; or

(ii) establish any standard of care.

(B) Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with this subsection shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce this subsection.

(15) The Secretary shall annually report to the authorizing committees regarding compliance with this subsection by institutions of higher education, including an up-to-date report on the Secretary's monitoring of such compliance.

(16)(A) The Secretary shall seek the advice and counsel of the Attorney General of the United States concerning the development, and dissemination to institutions of higher education, of best practices information about campus safety and emergencies.

(B) The Secretary shall seek the advice and counsel of the Attorney General of the United States and the Secretary of Health and



Human Services concerning the development, and dissemination to institutions of higher education, of best practices information about preventing and responding to incidents of domestic violence, dating violence, sexual assault, and stalking, including elements of institutional policies that have proven successful based on evidence-based outcome measurements.

(17) No officer, employee, or agent of an institution participating in any program under this title shall retaliate, intimidate, threaten, coerce, or otherwise discriminate against any individual for exercising their rights or responsibilities under any provision of this subsection.

(18) This subsection may be cited as the “Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act”.

(g) DATA REQUIRED.—

(1) IN GENERAL.—Each coeducational institution of higher education that participates in any program under this title, and has an intercollegiate athletic program, shall annually, for the immediately preceding academic year, prepare a report that contains the following information regarding intercollegiate athletics:

(A) The number of male and female full-time undergraduates that attended the institution.

(B) A listing of the varsity teams that competed in intercollegiate athletic competition and for each such team the following data:

(i) The total number of participants, by team, as of the day of the first scheduled contest for the team.

(ii) Total operating expenses attributable to such teams, except that an institution may also report such expenses on a per capita basis for each team and expenditures attributable to closely related teams such as track and field or swimming and diving, may be reported together, although such combinations shall be reported separately for men’s and women’s teams.

(iii) Whether the head coach is male or female and whether the head coach is assigned to that team on a full-time or part-time basis. Graduate assistants and volunteers who serve as head coaches shall be considered to be head coaches for the purposes of this clause.

(iv) The number of assistant coaches who are male and the number of assistant coaches who are female for each team and whether a particular coach is assigned to that team on a full-time or part-time basis. Graduate assistants and volunteers who serve as assistant coaches shall be considered to be assistant coaches for the purposes of this clause.

(C) The total amount of money spent on athletically related student aid, including the value of waivers of educational expenses, separately for men’s and women’s teams overall.

(D) The ratio of athletically related student aid awarded male athletes to athletically related student aid awarded female athletes.

(E) The total amount of expenditures on recruiting, separately for men’s and women’s teams overall.

(F) The total annual revenues generated across all men's teams and across all women's teams, except that an institution may also report such revenues by individual team.

(G) The average annual institutional salary of the head coaches of men's teams, across all offered sports, and the average annual institutional salary of the head coaches of women's teams, across all offered sports.

(H) The average annual institutional salary of the assistant coaches of men's teams, across all offered sports, and the average annual institutional salary of the assistant coaches of women's teams, across all offered sports.

(I)(i) The total revenues, and the revenues from football, men's basketball, women's basketball, all other men's sports combined and all other women's sports combined, derived by the institution from the institution's intercollegiate athletics activities.

(ii) For the purpose of clause (i), revenues from intercollegiate athletics activities allocable to a sport shall include (without limitation) gate receipts, broadcast revenues, appearance guarantees and options, concessions, and advertising, but revenues such as student activities fees or alumni contributions not so allocable shall be included in the calculation of total revenues only.

(J)(i) The total expenses, and the expenses attributable to football, men's basketball, women's basketball, all other men's sports combined, and all other women's sports combined, made by the institution for the institution's intercollegiate athletics activities.

(ii) For the purpose of clause (i), expenses for intercollegiate athletics activities allocable to a sport shall include (without limitation) grants-in-aid, salaries, travel, equipment, and supplies, but expenses such as general and administrative overhead not so allocable shall be included in the calculation of total expenses only.

(2) SPECIAL RULE.—For the purposes of paragraph (1)(G), if a coach has responsibilities for more than one team and the institution does not allocate such coach's salary by team, the institution should divide the salary by the number of teams for which the coach has responsibility and allocate the salary among the teams on a basis consistent with the coach's responsibilities for the different teams.

(3) DISCLOSURE OF INFORMATION TO STUDENTS AND PUBLIC.—An institution of higher education described in paragraph (1) shall make available to students and potential students, upon request, and to the public, the information contained in the report described in paragraph (1), except that all students shall be informed of their right to request such information.

(4) SUBMISSION; REPORT; INFORMATION AVAILABILITY.—(A) On an annual basis, each institution of higher education described in paragraph (1) shall provide to the Secretary, within 15 days of the date that the institution makes available the report under paragraph (1), the information contained in the report.

(B) The Secretary shall ensure that the reports described in subparagraph (A) are made available to the public within a reasonable period of time.

(C) Not later than 180 days after the date of enactment of the Higher Education Amendments of 1998, the Secretary shall notify all secondary schools in all States regarding the availability of the information made available under paragraph (1), and how such information may be accessed.

(5) DEFINITION.—For the purposes of this subsection, the term “operating expenses” means expenditures on lodging and meals, transportation, officials, uniforms and equipment.

(h) TRANSFER OF CREDIT POLICIES.—

(1) DISCLOSURE.—Each institution of higher education participating in any program under this title shall publicly disclose, in a readable and comprehensible manner, the transfer of credit policies established by the institution which shall include a statement of the institution’s current transfer of credit policies that includes, at a minimum—

(A) any established criteria the institution uses regarding the transfer of credit earned at another institution of higher education; and

(B) a list of institutions of higher education with which the institution has established an articulation agreement.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to—

(A) authorize the Secretary or the National Advisory Committee on Institutional Quality and Integrity to require particular policies, procedures, or practices by institutions of higher education with respect to transfer of credit;

(B) authorize an officer or employee of the Department to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any institution of higher education, or over any accrediting agency or association;

(C) limit the application of the General Education Provisions Act; or

(D) create any legally enforceable right on the part of a student to require an institution of higher education to accept a transfer of credit from another institution.

(i) DISCLOSURE OF FIRE SAFETY STANDARDS AND MEASURES.—

(1) ANNUAL FIRE SAFETY REPORTS ON STUDENT HOUSING REQUIRED.—Each eligible institution participating in any program under this title that maintains on-campus student housing facilities shall, on an annual basis, publish a fire safety report, which shall contain information with respect to the campus fire safety practices and standards of that institution, including—

(A) statistics concerning the following in each on-campus student housing facility during the most recent calendar years for which data are available:

(i) the number of fires and the cause of each fire;

(ii) the number of injuries related to a fire that result in treatment at a medical facility;

(iii) the number of deaths related to a fire; and

(iv) the value of property damage caused by a fire;

- (B) a description of each on-campus student housing facility fire safety system, including the fire sprinkler system;
  - (C) the number of regular mandatory supervised fire drills;
  - (D) policies or rules on portable electrical appliances, smoking, and open flames (such as candles), procedures for evacuation, and policies regarding fire safety education and training programs provided to students, faculty, and staff; and
  - (E) plans for future improvements in fire safety, if determined necessary by such institution.
- (2) REPORT TO THE SECRETARY.—Each institution described in paragraph (1) shall, on an annual basis, submit to the Secretary a copy of the statistics required to be made available under paragraph (1)(A).
- (3) CURRENT INFORMATION TO CAMPUS COMMUNITY.—Each institution described in paragraph (1) shall—
- (A) make, keep, and maintain a log, recording all fires in on-campus student housing facilities, including the nature, date, time, and general location of each fire; and
  - (B) make annual reports to the campus community on such fires.
- (4) RESPONSIBILITIES OF THE SECRETARY.—The Secretary shall—
- (A) make the statistics submitted under paragraph (1)(A) to the Secretary available to the public; and
  - (B) in coordination with nationally recognized fire organizations and representatives of institutions of higher education, representatives of associations of institutions of higher education, and other organizations that represent and house a significant number of students—
    - (i) identify exemplary fire safety policies, procedures, programs, and practices, including the installation, to the technical standards of the National Fire Protection Association, of fire detection, prevention, and protection technologies in student housing, dormitories, and other buildings;
    - (ii) disseminate the exemplary policies, procedures, programs and practices described in clause (i) to the Administrator of the United States Fire Administration;
    - (iii) make available to the public information concerning those policies, procedures, programs, and practices that have proven effective in the reduction of fires; and
    - (iv) develop a protocol for institutions to review the status of their fire safety systems.
- (5) RULES OF CONSTRUCTION.—Nothing in this subsection shall be construed to—
- (A) authorize the Secretary to require particular policies, procedures, programs, or practices by institutions of higher education with respect to fire safety, other than with respect to the collection, reporting, and dissemination of information required by this subsection;

(B) affect section 444 of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”) or the regulations issued under section 264 of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d–2 note);

(C) create a cause of action against any institution of higher education or any employee of such an institution for any civil liability; or

(D) establish any standard of care.

(6) COMPLIANCE REPORT.—The Secretary shall annually report to the authorizing committees regarding compliance with this subsection by institutions of higher education, including an up-to-date report on the Secretary’s monitoring of such compliance.

(7) EVIDENCE.—Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with this subsection shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce this subsection.

(j) MISSING PERSON PROCEDURES.—

(1) OPTION AND PROCEDURES.—Each institution of higher education that provides on-campus housing and participates in any program under this title shall—

(A) establish a missing student notification policy for students who reside in on-campus housing that—

(i) informs each such student that such student has the option to identify an individual to be contacted by the institution not later than 24 hours after the time that the student is determined missing in accordance with official notification procedures established by the institution under subparagraph (B);

(ii) provides each such student a means to register confidential contact information in the event that the student is determined to be missing for a period of more than 24 hours;

(iii) advises each such student who is under 18 years of age, and not an emancipated individual, that the institution is required to notify a custodial parent or guardian not later than 24 hours after the time that the student is determined to be missing in accordance with such procedures;

(iv) informs each such residing student that the institution will notify the appropriate law enforcement agency not later than 24 hours after the time that the student is determined missing in accordance with such procedures; and

(v) requires, if the campus security or law enforcement personnel has been notified and makes a determination that a student who is the subject of a missing person report has been missing for more than 24 hours and has not returned to the campus, the institution to initiate the emergency contact procedures in accordance with the student’s designation; and

(B) establish official notification procedures for a missing student who resides in on-campus housing that—

(i) includes procedures for official notification of appropriate individuals at the institution that such student has been missing for more than 24 hours;

(ii) requires any official missing person report relating to such student be referred immediately to the institution's police or campus security department; and

(iii) if, on investigation of the official report, such department determines that the missing student has been missing for more than 24 hours, requires—

(I) such department to contact the individual identified by such student under subparagraph (A)(i);

(II) if such student is under 18 years of age, and not an emancipated individual, the institution to immediately contact the custodial parent or legal guardian of such student; and

(III) if subclauses (I) or (II) do not apply to a student determined to be a missing person, inform the appropriate law enforcement agency.

(2) **RULE OF CONSTRUCTION.**—Nothing in this subsection shall be construed—

(A) to provide a private right of action to any person to enforce any provision of this subsection; or

(B) to create a cause of action against any institution of higher education or any employee of the institution for any civil liability.

(k) **NOTICE TO STUDENTS CONCERNING PENALTIES FOR DRUG VIOLATIONS.**—

(1) **NOTICE UPON ENROLLMENT.**—Each institution of higher education shall provide to each student, upon enrollment, a separate, clear, and conspicuous written notice that advises the student of the penalties under section 484(r).

(2) **NOTICE AFTER LOSS OF ELIGIBILITY.**—An institution of higher education shall provide in a timely manner to each student who has lost eligibility for any grant, loan, or work-study assistance under this title as a result of the penalties listed under section 484(r)(1) a separate, clear, and conspicuous written notice that notifies the student of the loss of eligibility and advises the student of the ways in which the student can regain eligibility under section 484(r)(2).

[(l) **ENTRANCE COUNSELING FOR BORROWERS.**—

[(1) **DISCLOSURE REQUIRED PRIOR TO DISBURSEMENT.**—

[(A) **IN GENERAL.**—Each eligible institution shall, at or prior to the time of a disbursement to a first-time borrower of a loan made, insured, or guaranteed under part B (other than a loan made pursuant to section 428C or a loan made on behalf of a student pursuant to section 428B) or made under part D (other than a Federal Direct Consolidation Loan or a Federal Direct PLUS loan made on behalf of a student), ensure that the borrower receives comprehensive information on the terms and conditions of the loan and of the responsibilities the borrower has with respect to such loan in accordance with paragraph (2). Such information—

[(i) shall be provided in a simple and understandable manner; and

[(ii) may be provided—

[(I) during an entrance counseling session conduction in person;

[(II) on a separate written form provided to the borrower that the borrower signs and returns to the institution; or

[(III) online, with the borrower acknowledging receipt of the information.

[(B) USE OF INTERACTIVE PROGRAMS.—The Secretary shall encourage institutions to carry out the requirements of subparagraph (A) through the use of interactive programs that test the borrower’s understanding of the terms and conditions of the borrower’s loans under part B or D, using simple and understandable language and clear formatting.

[(2) INFORMATION TO BE PROVIDED.—The information to be provided to the borrower under paragraph (1)(A) shall include the following:

[(A) To the extent practicable, the effect of accepting the loan to be disbursed on the eligibility of the borrower for other forms of student financial assistance.

[(B) An explanation of the use of the master promissory note.

[(C) Information on how interest accrues and is capitalized during periods when the interest is not paid by either the borrower or the Secretary.

[(D) In the case of a loan made under section 428B or 428H, a Federal Direct PLUS Loan, or a Federal Direct Unsubsidized Stafford Loan, the option of the borrower to pay the interest while the borrower is in school.

[(E) The definition of half-time enrollment at the institution, during regular terms and summer school, if applicable, and the consequences of not maintaining half-time enrollment.

[(F) An explanation of the importance of contacting the appropriate offices at the institution of higher education if the borrower withdraws prior to completing the borrower’s program of study so that the institution can provide exit counseling, including information regarding the borrower’s repayment options and loan consolidation.

[(G) Sample monthly repayment amounts based on—

[(i) a range of levels of indebtedness of—

[(I) borrowers of loans under section 428 or 428H; and

[(II) as appropriate, graduate borrowers of loans under section 428, 428B, or 428H; or

[(ii) the average cumulative indebtedness of other borrowers in the same program as the borrower at the same institution.

[(H) The obligation of the borrower to repay the full amount of the loan, regardless of whether the borrower completes or does not complete the program in which the borrower is enrolled within the regular time for program completion.

【(I) The likely consequences of default on the loan, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation.

【(J) Information on the National Student Loan Data System and how the borrower can access the borrower's records.

【(K) The name of and contact information for the individual the borrower may contact if the borrower has any questions about the borrower's rights and responsibilities or the terms and conditions of the loan.】

(l) ANNUAL FINANCIAL AID COUNSELING.—

(1) ANNUAL DISCLOSURE REQUIRED.—

(A) *IN GENERAL.*—Each eligible institution shall ensure that each individual who receives a Federal Pell Grant or a loan made under part D (other than a Federal Direct Consolidation Loan) receives comprehensive information on the terms and conditions of such Federal Pell Grant or loan and the responsibilities the individual has with respect to such Federal Pell Grant or loan. Such information shall be provided, for each award year for which the individual receives such Federal Pell Grant or loan, in a simple and understandable manner—

- (i) during a counseling session conducted in person;
- (ii) online, with the individual acknowledging receipt of the information; or
- (iii) through the use of the online counseling tool described in subsection (n)(1)(B).

(B) *USE OF INTERACTIVE PROGRAMS.*—In the case of institutions not using the online counseling tool described in subsection (n)(1)(B), the Secretary shall require such institutions to carry out the requirements of subparagraph (A) through the use of interactive programs, during an annual counseling session that is in-person or online, that test the individual's understanding of the terms and conditions of the Federal Pell Grant or loan awarded to the individual, using simple and understandable language and clear formatting.

(2) *ALL INDIVIDUALS.*—The information to be provided under paragraph (1)(A) to each individual receiving counseling under this subsection shall include the following:

(A) An explanation of how the individual may budget for typical educational expenses and a sample budget based on the cost of attendance for the institution.

(B) An explanation that an individual has a right to annually request a disclosure of information collected by a consumer reporting agency pursuant to section 612(a) of the Fair Credit Reporting Act (15 U.S.C. 1681j(a)).

(C) Based on the most recent data available from the American Community Survey available from the Department of Commerce, the estimated average income and percentage of employment in the State of domicile of the individual for individuals with—

- (i) a high school diploma or equivalent;
- (ii) some post-secondary education without completion of a degree or certificate; and



(iii) a bachelor's degree.

(D) An introduction to the financial management resources provided by the Financial Literacy and Education Commission.

(3) *STUDENTS RECEIVING FEDERAL PELL GRANTS.*—The information to be provided under paragraph (1)(A) to each student receiving a Federal Pell Grant shall include the following:

(A) An explanation of the terms and conditions of the Federal Pell Grant.

(B) An explanation of approved educational expenses for which the student may use the Federal Pell Grant.

(C) An explanation of why the student may have to repay the Federal Pell Grant.

(D) An explanation of the maximum number of semesters or equivalent for which the student may be eligible to receive a Federal Pell Grant, and a statement of the amount of time remaining for which the student may be eligible to receive a Federal Pell Grant.

(E) An explanation that if the student transfers to another institution not all of the student's courses may be acceptable in transfer toward meeting specific degree or program requirements at such institution, but the amount of time remaining for which a student may be eligible to receive a Federal Pell Grant, as provided under subparagraph (D), will not change.

(F) An explanation of how the student may seek additional financial assistance from the institution's financial aid office due to a change in the student's financial circumstances, and the contact information for such office.

(4) *BORROWERS RECEIVING LOANS MADE UNDER PART D (OTHER THAN PARENT PLUS LOANS).*—The information to be provided under paragraph (1)(A) to a borrower of a loan made under part D (other than a Federal Direct PLUS Loan made on behalf of a dependent student) shall include the following:

(A) To the extent practicable, the effect of accepting the loan to be disbursed on the eligibility of the borrower for other forms of student financial assistance.

(B) An explanation of the use of the master promissory note.

(C) An explanation that the borrower is not required to accept the full amount of the loan offered to the borrower.

(D) An explanation that the borrower should consider accepting any grant, scholarship, or State or Federal work-study jobs for which the borrower is eligible prior to accepting Federal student loans.

(E) A recommendation to the borrower to exhaust the borrower's Federal student loan options prior to taking out private education loans, an explanation that Federal student loans typically offer better terms and conditions than private education loans, an explanation of treatment of loans made under part D and private education loans in bankruptcy, and an explanation that if a borrower decides to take out a private education loan—

(i) the borrower has the ability to select a private educational lender of the borrower's choice;

(ii) the proposed private education loan may impact the borrower's potential eligibility for other financial assistance, including Federal financial assistance under this title; and

(iii) the borrower has a right—

(I) to accept the terms of the private education loan within 30 calendar days following the date on which the application for such loan is approved and the borrower receives the required disclosure documents, pursuant to section 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e)); and

(II) to cancel such loan within 3 business days of the date on which the loan is consummated, pursuant to section 128(e)(7) of such Act (15 U.S.C. 1638(e)(7)).

(F) An explanation of the approved educational expenses for which the borrower may use a loan made under part D.

(G) Information on the annual and aggregate loan limits for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans.

(H) Information on how interest accrues and is capitalized during periods when the interest is not paid by either the borrower or the Secretary.

(I) In the case of a Federal Direct PLUS Loan or a Federal Direct Unsubsidized Stafford Loan, the option of the borrower to pay the interest while the borrower is in school.

(J) The definition of half-time enrollment at the institution, during regular terms and summer school, if applicable, and the consequences of not maintaining at least half-time enrollment.

(K) An explanation of the importance of contacting the appropriate offices at the institution of higher education if the borrower withdraws prior to completing the borrower's program of study so that the institution can provide exit counseling, including information regarding the borrower's repayment options and loan consolidation.

(L) For a first-time borrower—

(i) a statement of the anticipated balance on the loan for which the borrower is receiving counseling under this subsection;

(ii) based on such anticipated balance, the anticipated monthly payment amount under, at minimum—

(I) the standard repayment plan; and

(II) an income-based repayment plan under section 493C, as determined using regionally available data from the Bureau of Labor Statistics of the average starting salary for the occupation in which the borrower has an interest in or intends to be employed; and

(iii) an estimate of the projected monthly payment amount under each repayment plan described in clause (ii), based on the average cumulative indebtedness at graduation for borrowers of loans made under part D who are in the same program of study as the borrower.

(M) For a borrower with an outstanding balance of principal or interest due on a loan made under this title—

(i) a current statement of the amount of such outstanding balance and interest accrued;

(ii) based on such outstanding balance, the anticipated monthly payment amount under, at minimum, the standard repayment plan and, using regionally available data from the Bureau of Labor Statistics of the average starting salary for the occupation the borrower intends to be employed, an income-based repayment plan under section 493C; and

(iii) an estimate of the projected monthly payment amount under each repayment plan described in clause (ii), based on—

(I) the outstanding balance described in clause (i);

(II) the anticipated outstanding balance on the loan for which the student is receiving counseling under this subsection; and

(III) a projection for any other loans made under part D that the borrower is reasonably expected to accept during the borrower's program of study based on at least the expected increase in the cost of attendance of such program.

(N) The obligation of the borrower to repay the full amount of the loan, regardless of whether the borrower completes or does not complete the program in which the borrower is enrolled within the regular time for program completion.

(O) The likely consequences of default on the loan, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation, and a notice of the institution's most recent cohort default rate (defined in section 435(m)), an explanation of the cohort default rate, the most recent national average cohort default rate, and the most recent national average cohort default rate for the category of institution described in section 435(m)(4) to which the institution belongs.

(P) Information on the National Student Loan Data System and how the borrower can access the borrower's records.

(Q) The contact information for the institution's financial aid office or other appropriate office at the institution the borrower may contact if the borrower has any questions about the borrower's rights and responsibilities or the terms and conditions of the loan.

(5) **BORROWERS RECEIVING PARENT PLUS LOANS FOR DEPENDENT STUDENTS.**—The information to be provided under paragraph (1)(A) to a borrower of a Federal Direct PLUS Loan made on behalf of a dependent student shall include the following:

(A) The information described in subparagraphs (A) through (C) and (N) through (Q) of paragraph (4).

(B) The option of the borrower to pay the interest on the loan while the loan is in deferment.

(C) For a first-time borrower of such loan—

(i) a statement of the anticipated balance on the loan for which the borrower is receiving counseling under this subsection;

(ii) based on such anticipated balance, the anticipated monthly payment amount under the standard repayment plan; and

(iii) an estimate of the projected monthly payment amount under the standard repayment plan, based on the average cumulative indebtedness of other borrowers of Federal Direct PLUS Loans made on behalf of dependent students who are in the same program of study as the student on whose behalf the borrower borrowed the loan.

(D) For a borrower with an outstanding balance of principal or interest due on such loan—

(i) a statement of the amount of such outstanding balance;

(ii) based on such outstanding balance, the anticipated monthly payment amount under the standard repayment plan; and

(iii) an estimate of the projected monthly payment amount under the standard repayment plan, based on—

(I) the outstanding balance described in clause (i);

(II) the anticipated outstanding balance on the loan for which the borrower is receiving counseling under this subsection; and

(III) a projection for any other Federal Direct PLUS Loan made on behalf of the dependent student that the borrower is reasonably expected to accept during the program of study of such student based on at least the expected increase in the cost of attendance of such program.

(E) Debt management strategies that are designed to facilitate the repayment of such indebtedness.

(F) An explanation that the borrower has the options to prepay each loan, pay each loan on a shorter schedule, and change repayment plans.

(G) For each Federal Direct PLUS Loan made on behalf of a dependent student for which the borrower is receiving counseling under this subsection, the contact information for the loan servicer of the loan and a link to such servicer's Website.

(6) ANNUAL LOAN ACCEPTANCE.—Prior to making the first disbursement of a loan made under part D (other than a Federal Direct Consolidation Loan) to a borrower for an award year, an eligible institution, shall, as part of carrying out the counseling requirements of this subsection for the loan, ensure that after receiving the applicable counseling under paragraphs (2), (4), and (5) for the loan the borrower accepts the loan for such award year by—

(A) signing the master promissory note for the loan;

*(B) signing and returning to the institution a separate written statement that affirmatively states that the borrower accepts the loan; or*

*(C) electronically signing an electronic version of the statement described in subparagraph (B).*

**(m) DISCLOSURES OF REIMBURSEMENTS FOR SERVICE ON ADVISORY BOARDS.—**

**(1) DISCLOSURE.—**Each institution of higher education participating in any program under this title shall report, on an annual basis, to the Secretary, any reasonable expenses paid or provided under section 140(d) of the Truth in Lending Act to any employee who is employed in the financial aid office of the institution, or who otherwise has responsibilities with respect to education loans or other financial aid of the institution. Such reports shall include—

**(A)** the amount for each specific instance of reasonable expenses paid or provided;

**(B)** the name of the financial aid official, other employee, or agent to whom the expenses were paid or provided;

**(C)** the dates of the activity for which the expenses were paid or provided; and

**(D)** a brief description of the activity for which the expenses were paid or provided.

**(2) REPORT TO CONGRESS.—**The Secretary shall summarize the information received from institutions of higher education under paragraph (1) in a report and transmit such report annually to the authorizing committees.

**(n) ONLINE COUNSELING TOOLS.—**

**(1) IN GENERAL.—***Beginning not later than 1 year after the date of enactment of the Empowering Students Through Enhanced Financial Counseling Act, the Secretary shall maintain—*

*(A) an online counseling tool that provides the exit counseling required under subsection (b) and meets the applicable requirements of this subsection; and*

*(B) an online counseling tool that provides the annual counseling required under subsection (l) and meets the applicable requirements of this subsection.*

**(2) REQUIREMENTS OF TOOLS.—***In maintaining the online counseling tools described in paragraph (1), the Secretary shall ensure that each such tool is—*

*(A) consumer tested, in consultation with other relevant Federal agencies, to ensure that the tool is effective in helping individuals understand their rights and obligations with respect to borrowing a loan made under part D or receiving a Federal Pell Grant;*

*(B) understandable to students receiving Federal Pell Grants and borrowers of loans made under part D; and*

*(C) freely available to all eligible institutions.*

**(3) RECORD OF COUNSELING COMPLETION.—***The Secretary shall—*

*(A) use each online counseling tool described in paragraph (1) to keep a record of which individuals have received counseling using the tool, and notify the applicable*

*institutions of the individual's completion of such counseling;*

*(B) in the case of a borrower who receives annual counseling for a loan made under part D using the tool described in paragraph (1)(B), notify the borrower by when the borrower should accept, in a manner described in subsection (1)(6), the loan for which the borrower has received such counseling; and*

*(C) in the case of a borrower described in subsection (b)(1)(B) at an institution that uses the online counseling tool described in paragraph (1)(A) of this subsection, the Secretary shall attempt to provide the information described in subsection (b)(1)(A) to the borrower through such tool.*

\* \* \* \* \*

