

110TH CONGRESS
2D SESSION

S. 2594

To amend title I of the Higher Education Act of 1965 regarding institution financial aid offer form requirements.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 6, 2008

Mr. SCHUMER introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend title I of the Higher Education Act of 1965 regarding institution financial aid offer form requirements.

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

3 **SECTION 1. INSTITUTION FINANCIAL AID OFFER FORM RE-**
4 **QUIREMENTS.**

5 Title I of the Higher Education Act of 1965 (20
6 U.S.C. 1001 et seq.) is amended by adding at the end
7 the following:

1 **“PART E—INSTITUTION FINANCIAL AID OFFER**
2 **FORM REQUIREMENTS**

3 **“SEC. 151. DEFINITIONS.**

4 “In this part:

5 “(1) ADEQUACY.—The term ‘adequacy’, with
6 respect to a financial aid offer form from a covered
7 institution, means a letter that provides parents and
8 students with comprehensive information on the
9 postsecondary education costs and the terms and
10 conditions of financial aid offered so that the par-
11 ents and students can make informed educational
12 loan borrowing decisions.

13 “(2) COST OF ATTENDANCE.—The term ‘cost of
14 attendance’ has the meaning given the term in sec-
15 tion 472.

16 “(3) COVERED INSTITUTION.—The term ‘cov-
17 ered institution’ means any educational institution
18 that—

19 “(A) offers a postsecondary educational de-
20 gree, certificate, or program of study (including
21 any institution of higher education, as such
22 term is defined in section 102); and

23 “(B) receives any Federal funding or as-
24 sistance.

1 **“SEC. 152. INSTITUTION REQUIREMENTS RELATING TO FI-**
 2 **NANCIAL AID OFFER FORMS.**

3 “(a) SECRETARY DUTIES.—

4 “(1) REPORT AND MODEL FORMATS.—Not later
 5 than October 1, 2009, the Secretary shall—

6 “(A) prepare a report on the adequacy of
 7 the financial aid offer forms provided by cov-
 8 ered institutions to students and the parents of
 9 such students, after consulting with—

10 “(i) students;

11 “(ii) parents of students;

12 “(iii) representatives of covered insti-
 13 tutions (including financial aid administra-
 14 tors, registrars, and business officers); and

15 “(iv) consumer groups that receive no
 16 commercial or covered institution support;

17 “(B) include in the report model financial
 18 aid offer formats for financial aid offer forms
 19 that—

20 “(i) are based on the report’s find-
 21 ings; and

22 “(ii) include the information described
 23 in paragraph (2); and

24 “(C)(i) submit the report and model for-
 25 mats to the Committee on Health, Education,
 26 Labor, and Pensions of the Senate and the

1 Committee on Education and Labor of the
2 House of Representatives; and

3 “(ii) make the report and model formats
4 available to covered institutions, lenders, and
5 the public.

6 “(2) MODEL FORMATS CONTENTS.—The model
7 financial aid offer formats developed under para-
8 graph (1) shall present, in a consumer-friendly man-
9 ner, the following information:

10 “(A) The student’s total cost of attendance
11 for the year for which the covered institution is
12 issuing the financial aid offer form, including
13 the actual or estimated costs included in the
14 total cost of attendance for such year for each
15 of the following:

16 “(i) Tuition and fees.

17 “(ii) Room and board costs.

18 “(iii) Books and supplies.

19 “(iv) Transportation and miscella-
20 neous expenses.

21 “(B) The amount of financial aid that the
22 student does not have to repay, such as scholar-
23 ships and grants, offered to the student for
24 such year.

1 “(C) The conditions under which the fi-
2 nancial aid described in subparagraph (B) is re-
3 newable each year.

4 “(D) The net cost of attendance for the
5 student, calculated as the total cost of attend-
6 ance for the student (as described in subpara-
7 graph (A) less the amount of financial aid that
8 the student does not have to repay (as de-
9 scribed in subparagraph (B)).

10 “(E) The amount of work-study assistance
11 offered to the student for such year, and the
12 conditions that the student has to fulfill for the
13 work-study assistance.

14 “(F) Information about loans for which
15 the student, or a parent of the student, is eligi-
16 ble for such year and loans the covered institu-
17 tion recommends for such year, as the Sec-
18 retary determines necessary for the model for-
19 mats to meet the definition of adequacy under
20 this part. The information shall include the ap-
21 plicable interest rates and other terms and con-
22 ditions of the loans, including the estimated
23 monthly repayment amount. The loans may in-
24 clude loans under part B, D, or E of title IV

1 or awards under subpart 9 of part A of title IV
2 (TEACH Grants).

3 “(G) Where a student or the student’s par-
4 ent can seek additional information regarding
5 the financial aid offered.

6 “(H) Any other information the Secretary
7 determines necessary so that students and par-
8 ents can make informed student loan borrowing
9 decisions.

10 “(b) COVERED INSTITUTION DUTIES.—Not later
11 than 1 year after the release of the report and model fi-
12 nancial aid offer formats described in subsection (a), each
13 covered institution shall—

14 “(1) use one of the model financial aid offer
15 formats as part of the information provided in any
16 financial aid offer form that the covered institution
17 provides to a student attending or planning to at-
18 tend the covered institution, or the parents of such
19 student; and

20 “(2) ensure that such student and the parents
21 of such student receive the financial aid offer form
22 in time for such student or parent to take the infor-
23 mation provided into account before applying for or
24 selecting an educational loan.”.

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