

used to compile a tax return that I, along with my wife, like other hard-working Americans, must sign under penalty of perjury.

I have no doubt that five CPAs, given the same information from any taxpayer, would calculate five different tax liabilities. Yet when the IRS comes calling, every American is guilty until they prove their innocence.

Make a mistake or lose a receipt? For the taxpayer, guilty. Pay the penalty and interest, or the IRS will use the law to take your home, your car, your life savings, and they will put you in jail and leave your family in the ditch. But when the IRS gets caught cheating, they lie to Congress, take the Fifth, and destroy the evidence.

If they get away with this, what and who is next?

I can't help but think, Madam Speaker, that we must be getting close to George Orwell and what he described in his novel. While some people are created equal, under this administration others are more equal.

Had the IRS abused liberal groups, the press and the administration would demand the prosecution of the individuals responsible, and that is exactly what should be happening right now.

#### IRS: DO AS I SAY, NOT AS I DO

(Mr. BENTIVOLIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENTIVOLIO. Madam Speaker, it has become apparent that the Federal agencies operate by one standing principle: do as I say, not as I do.

The IRS has shown a blatant disregard for the truth, and it is apparent there is something to hide.

Madam Speaker, I look to the other side, and I have to ask: Where is your outrage? Why have none of my Democratic friends been willing to look at the Internal Revenue Service's actions and say: Do you know what? This is bigger than partisan politics. Something is wrong here, and we need to protect the rights of Americans. Are you so committed to government power that you are unwilling to stand up and do the right thing?

Our job is to protect the rights of the people, not take them away. It is time we remember that in this Chamber.

#### A TALE OF TWO STANDARDS

(Mr. DUNCAN of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN of Tennessee. Madam Speaker, Tom Brokaw said the targeting of 298 conservative groups by the IRS was "outrageous" and called for a "complete investigation and thorough housecleaning." He said:

This is not a conservative or liberal issue. It really is about trusting your government.

Chris Matthews said there was obvious "profiling" of conservative groups,

and said about Lois Lerner pleading the Fifth:

Why, if you have nothing to hide, why doesn't she sit in that witness stand and answer truthfully?

Tom Brokaw and Chris Matthews are certainly not political conservatives.

One of the leading Capitol Hill newspapers today asks, "What about the hard drive?" and says the IRS in Federal court this past Friday said Lois Lerner's hard drive was wiped clean by the IRS and sent to an outside disposal company to be shredded. There are thousands of missing emails which just happen to include those going from the IRS to the White House.

All over this Nation, people have seen that there is one standard for ordinary citizens and another for employees of the Internal Revenue Service and friends of those in the White House. We need a much simpler, fairer tax law, Madam Speaker, that would allow us to do away with the politicized IRS altogether.

#### REMEMBERING DETECTIVE JOHN GIBSON AND OFFICER JACOB CHESTNUT

(Mr. OLSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OLSON. Madam Speaker, on July 24, 1998, 16 years ago today, two Capitol policemen were killed in this building in the line of duty.

At 3:40 p.m., an insane man shot Officer Jacob Chestnut in the back of the head. He died where he fell. He was directing a family to the restrooms when he was killed.

The insane man ran into the office of the majority leader, Tom DeLay, my predecessor in Congress. Mr. DeLay's bodyguard, Detective John Gibson, was shot. Despite being mortally wounded, he returned fire and brought the shooter down.

Today, both Officer Chestnut and Detective Gibson lie forever in glory across the river in Arlington National Cemetery. May they always rest in peace.

#### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. DUNCAN of Tennessee) laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,  
HOUSE OF REPRESENTATIVES,  
Washington, DC, July 24, 2014.

Hon. JOHN A. BOEHNER,  
*The Speaker, House of Representatives, Washington, DC.*

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on July 24, 2014 at 10:43 a.m.:

That the Senate agreed to S.J. Res. 40.  
With best wishes, I am

Sincerely,

KAREN L. HAAS.

#### EMPOWERING STUDENTS THROUGH ENHANCED FINANCIAL COUNSELING ACT

GENERAL LEAVE

Mr. KLINE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 4984.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 677 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 4984.

The Chair appoints the gentlewoman from Tennessee (Mrs. BLACK) to preside over the Committee of the Whole.

□ 1240

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 4984) to amend the loan counseling requirements under the Higher Education Act of 1965, and for other purposes, with Mrs. BLACK in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Minnesota (Mr. KLINE) and the gentlewoman from Oregon (Ms. BONAMICI) each will control 30 minutes.

The Chair recognizes the gentleman from Minnesota.

Mr. KLINE. Madam Chair, I rise today in strong support of the Empowering Students Through Enhanced Financial Counseling Act, and I yield myself such time as I may consume.

Madam Chair, every family knows the cost of pursuing a higher education is out of control. It is felt intensely each and every day by countless Americans, by parents who worry how they will put their kids through college, by students who fear they will be left with a pile of debt and no job prospects, and by working men and women who hope a degree will let them reach the next rung on the economic ladder.

We know that solutions to the college cost problem must ultimately come from States and institutions, but there are things Congress can do right now to keep the dream of a postsecondary education within reach.

Helping students find the right institution is one way we can make a difference. Yesterday, the House passed, with strong bipartisan support, the Strengthening Transparency in Higher Education Act. The legislation will arm students with the best information available in a format that is easy to understand, information that includes key facts such as an institution's costs, completion rates, and student loan debt.

Students and families currently face a tsunami of information that is the

mostly confusing, conflicting, and unnecessary. The bill streamlines the information and how it is delivered, enabling students to be smart shoppers in the college marketplace.

However, picking an institution is only half the challenge. Families then have to figure out how to pay for it, and far too many are unprepared to make those tough decisions. Some students choose loans and debt when other assistance in the form of grants and scholarships are readily available. And those that do opt for student loans often have no real concept of what they are getting into or what it means for their future.

Clearly, current policies promoting financial literacy are coming up short. That is why I am pleased to support the Empowering Students Through Enhanced Financial Counseling Act. This bipartisan legislation includes a series of reforms that will help students and families make wise financial decisions about their postsecondary education.

For example, the bill ensures borrowers—both students and parents—receive annual counseling that reflects their personal situations and requires consent each year before receiving a Federal loan. The legislation also makes sure low-income individuals who rely on Pell grants are informed about the terms and conditions of their grant.

The bill also delivers more robust counseling upon graduation, requiring that information on a borrower's loan balance and anticipated monthly payments be provided. Finally, the legislation directs the Secretary of Education to maintain a consumer-tested, online counseling tool that will help institutions put this important information into the hands of those who need it.

Madam Chairman, this legislation is part of a broader effort to strengthen our Nation's higher education. Neither this bill nor the bills passed earlier this week are a silver bullet to challenges we face. However, by working together, we can begin to make a difference in the lives of students and families, and that is precisely what the House is doing.

Madam Chairman, I want to thank the bipartisan authors of the legislation, Representatives BRETT GUTHRIE, RICHARD HUDSON, and SUZANNE BONAMICI.

I urge my colleagues to support the bill and reserve the balance of my time.

□ 1245

Ms. BONAMICI. Madam Chair, I yield myself such time as I may consume, and I rise today in support of the Empowering Students Through Enhanced Financial Counseling Act.

I would like to start by thanking Chairman KLINE, Ranking Member MILLER, and Congressman GUTHRIE for their leadership on this bill, which will improve the financial counseling that millions of student loan borrowers receive. I am pleased that Members are

coming together to take a meaningful step toward protecting student loan borrowers. I also want to thank the Committee on Education and Workforce staff on both sides of the aisle for their hard work to include Members' shared priorities in a bill that has earned tremendous bipartisan support.

The need for enhanced financial counseling for students is clear. More than 40 million Americans are carrying more than \$1.2 trillion in student loan debt, and default rates are climbing. At the same time there is evidence that student loan debt is a drag on the broader economy. Borrowers struggling with debt may delay purchasing a new car, a home, or new appliances. They may be unable to access capital to start a business, or they may put off saving for retirement.

Of course, the solution to the mounting burden of student loan debt will require a number of changes. We will need to address rising tuition, and we will need to do a better job of granting existing borrowers access to affordable repayment plans. But we also must help current and future students understand their rights and obligations as borrowers. And we need to help them forecast their obligations in the years after college so they can make informed decisions now and for the future.

One of the frustrations I hear frequently from former students is that they didn't understand the jumble of terms and products in the student loan market when they were borrowing. Many didn't ask questions until after they left college. What kind of loans did they borrow? When will they need to begin repayment? What will their monthly payments be, and what repayment plans will be available?

That is why I am especially pleased that H.R. 4984 goes beyond entrance counseling for new borrowers and requires annual counseling for all student loan borrowers.

Under this bill, students, whether they are sophomores or seniors, will have information about how much they have borrowed, what they are expected to borrow to complete their education, how their loans will accrue interest, and what they can expect their monthly payments to be when they leave college. They will be better able to see their road to repayment.

Importantly, providing annual counseling means that borrowers who don't graduate will still receive information about what to expect when they leave school and enter repayment. Borrowers will have more clarity on their monthly payments under two repayment plans: income-based repayment and the standard 10-year option. Streamlining this information will simplify the repayment process.

Borrowers will be reminded each year that they don't have to borrow the full amount made available, and they should consider grants, work study, and Federal loans before turning to private lenders. Unlike current practice,

borrowers will receive financial counseling before signing their master promissory note, and they will be reminded that they can repay interest before it capitalizes.

H.R. 4984 will provide for the first time important disclosures to parents who borrow for their children. Parent borrowers of student loans will be given virtually the same information about their loans as students receive. And the bill will extend counseling to Pell grant recipients so that they understand the limits on eligibility for Pell grants, and the circumstances in which they would be asked to repay their grants.

Finally, this bill delivers enhanced student loan information in consumer-tested formats to check for student understanding. It will ensure that we provide personalized borrower information that the borrowers understand.

Madam Chair, there is another reason why this bill is so important right now. Recent consumer complaints suggest that some debt settlement companies are using predatory practices to target student loan borrowers. These firms target low-income and minority borrowers, but also Americans giving back through public service careers, like firefighting, teaching, and law enforcement. These firms are reportedly charging thousands of dollars to enroll borrowers in Federal income-based repayment programs, a program that borrowers can enroll in for free.

Until we can address these predatory practices directly, this bill will go a long way to ensuring that students fully understand their eligibility for income-based repayment. In short, the Empowering Students Through Enhanced Financial Counseling Act will help Pell grant recipients and student loan borrowers. It will help the borrowers anticipate their monthly payments and plan their road to repayment. This will make a real positive difference, and I ask my colleagues to join me in supporting H.R. 4984.

I reserve the balance of my time.

Mr. KLINE. Madam Chair, I am now pleased to yield 3 minutes to the gentleman from Kentucky (Mr. GUTHRIE), a key member of the committee.

Mr. GUTHRIE. Madam Chair, I rise today in support of H.R. 4984, the Empowering Students Through Enhanced Financial Counseling Act.

But first, I want to say thanks to my friend from Oregon, Congresswoman BONAMICI, for putting together a coalition of both sides where we can come together to address a problem that faces so many of the people who sent us here to represent them. And to the chairman, we are going to pass three or four bills this week in a bipartisan manner. The President signed a bill that passed this committee this week as well. It shows that he is putting together where we can find common ground to solve problems that really affect the people who sent us here to represent them. We appreciate him for that.

But to address this bill: with the rising costs of attaining a college degree, many students need financial assistance to make that dream a reality. This bill will increase financial literacy by reforming the current guidelines to require annual counseling for student borrowers. In doing so, students will be empowered with the knowledge necessary to understand what they are borrowing, which financial options to draw from first, and the implication of their future debt load in repayment scenarios.

A June 2014 report from the Federal Reserve Bank of New York reported that less than 50 percent of survey respondents with student debt have what they consider a high loan literacy.

Current Federal law only requires colleges and universities to provide financial counseling to student borrowers at the beginning of their studies. In short, these students get a quick snapshot of their loan obligations after they have already committed to the first year's loans, and then again once they have accrued their entire loan burden. Making matters worse, these counseling sessions tend to be broad and not based on information specific to the borrower. Many of today's students do not have a clear picture of what their financial obligation will look like upon graduation, and aren't necessarily given any opportunity to make decisions to alter that course. So will this bill make a difference?

Well, we have an example. Indiana University—being from Kentucky, I have to admit, Indiana University has begun a process of educating students annually prior to accepting their aid package for the following year, similar to our efforts in this bill. IU found that Federal undergraduate Stafford loan disbursements dropped by \$31 million, or 11 percent, from the previous year. That is five times the decline in the national average. And they still were served in college. They just didn't take out too much excess debt.

Through this bill, we hope to expand upon what institutions like Indiana University are doing and reform the current guidelines to require annual counseling for student borrowers, and ensure that students are empowered with the information they need to take control of their financial futures.

I encourage my colleagues, and I appreciate the bipartisan support, and particularly my friend from Oregon, for working together, and I encourage my colleagues to support this meaningful legislation so we can arm students with the financial knowledge needed and help lower their debt burdens.

Ms. BONAMICI. Madam Chair, I am pleased to yield 3 minutes to the gentlewoman from Arizona (Ms. SINEMA), a champion for access to higher education.

Ms. SINEMA. Madam Chair, I thank Chairman KLINE, Ranking Member MILLER, and Representative BONAMICI for working together to find common ground on this bipartisan legislation, and I rise in support of H.R. 4984.

This legislation enacts commonsense safeguards and reforms to make financial counseling more effective for students and their families. Specifically, this legislation ensures that student loan recipients receive comprehensive information on an annual basis, detailing the terms and conditions, as well as the individual responsibilities throughout the life of their loans.

As an adjunct professor at Arizona State University, I frequently hear from my students about how difficult it is to effectively manage their student loans. One year ago, I brought stories from my own Arizona State University students to the House floor to demonstrate how student debt impacts their futures and our community.

One former student in my district, Brandy, faces over \$100,000 in student debt. While this legislation will make it easier for her to understand the terms of her loan, we shouldn't fool ourselves, because this legislation will not make repaying her loan any easier, it won't provide relief from rising interest rates, and it doesn't take meaningful steps to address the skyrocketing cost of higher education. So together, we must do more here in Congress to create quality, higher education opportunities for America's students.

So while this legislation is no substitute for a full reauthorization of the Higher Education Act, it is a good step forward. It doesn't yet provide a meaningful solution that addresses the rising cost of college, but it is very important that we stand today and make the important start to ensure students are fully informed about their loans and student debt.

I relied on Pell grants, academic scholarships, and Federal loans all through my schooling, just like my Arizona State University students do today. I know that students need guidance and assistance to manage their student debt.

I talk to young people who are excited to share their ideas and thoughts with me about how to solve some of our world's biggest problems, but it concerns me when I see these same young students are daunted by the prospect of an expensive education that they want but fear they can't afford.

Rising college costs are putting higher education and the American dream out of reach for too many hardworking American families. Education is the key to economic growth, job creation, and for many, a clear pathway out of poverty. I know this because education was the key to my own path from poverty to the middle class. So I urge my colleagues to pass this legislation and continue working together to make college affordable for Arizona students.

I thank the gentlewoman from Oregon (Ms. BONAMICI) for yielding and for her hard work.

Mr. KLINE. I reserve the balance of my time.

Ms. BONAMICI. Madam Chair, I am pleased to yield 2 minutes to the gen-

tleman from New York (Mr. BISHOP), a colleague from the Education and the Workforce Committee.

Mr. BISHOP of New York. Madam Chair, I thank my colleague for yielding.

I rise in support of H.R. 4984, and I want to commend Congressman GUTHRIE and Congresswoman BONAMICI for their efforts in bringing this bill first to our committee and now to the floor, and I particularly want to commend the bipartisan nature with which this legislation has been developed. Hopefully it will pass today with the same support that it passed out of the Education Committee.

My other hope is that we can take this same bipartisan spirit that attends this legislation and apply it to the really, really important work that we have before us with respect to higher education and reauthorizing the Higher Ed Act, and that is specifically seeing to it that collectively we work together to see to it that the student financial aid programs embodied in title IV of the Higher Ed Act are reauthorized and, in fact, strengthened, and that they remain as robust as they need to be to ensure that students continue to have access to the educational institutions of their choice.

Frankly, title IV is in peril. I hope we can work on that. And let me be specific about at least one program in title IV, and that is the Perkins Loan Program. We have had the Perkins Loan Program since 1958. It was passed in the wake of America's shock that we were beaten into space by the Russians, and so there was an effort to make it easier for the young men and women of this country to pursue higher education. That goal, by the way, and that need that existed in 1958 still exists today. And yet under current law, if we do not act, the 2015–2016 academic year will be the last year that the Perkins loan will be in existence.

Our students across the country borrow \$1.4 billion a year.

The CHAIR. The time of the gentleman has expired.

Ms. BONAMICI. I yield an additional 1 minute to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. I thank the gentlelady for yielding.

So \$1.4 billion a year will be taken out of the student aid portfolio at a time when students can least afford for that to happen. Given declining incomes and rising colleges costs, students are caught in a squeeze where they are unable to meet the expenses that a higher education demands. We simply cannot let this happen, and I very much hope that again on a bipartisan basis we can renew not just this program, but we can also overcome what appears to be a policy directive of our friends on the other side to squeeze the student financial aid programs.

□ 1300

The budget resolution that passed the House of Representatives freezes

Pell grants at \$5,700 for the next 10 years. That means, 10 years from now, if that were to ever take on the force of law, the buying power of the Pell grant will be severely diminished.

That same budget resolution essentially eliminates the SEOG program and puts enormous restrictions on the college workstudy program. These are programs that are absolutely essential to a student's ability to finance their education. I very much hope we can work together to see to it that they remain as robust as they need to be.

Mr. KLINE. Madam Chair, we have no further speakers on this side, and I am prepared to close, so I reserve the balance of my time.

Ms. BONAMICI. Madam Chair, H.R. 4984, the Empowering Students Through Enhanced Financial Counseling Act, will give student loan borrowers a much better understanding of their road to repayment. It does this by helping students track the amount they borrowed, predict monthly payments, and access affordable repayment plans.

As I mentioned, this bill is not a cure-all for the problems student loan borrowers face, which include rising tuition and opaque servicing contracts, but the bill serves a very important purpose, and it is especially important because of the cost of college and the challenges of managing student debt.

Greater transparency about what it means to borrow student loans will help students anticipate their obligations and advocate for their rights as borrowers, and perhaps greater transparency will elevate the conversation about the underlying need to address college costs.

Again, I want to thank Chairman KLINE, Ranking Member MILLER, and Representative GUTHRIE for their bipartisan effort on this important bill. It has been delightful to work with them. I look forward to more bipartisanship in the Education and the Workforce Committee.

I ask all of my colleagues to join me in supporting H.R. 4984, and I yield back the balance of my time.

Mr. KLINE. Madam Chair, I yield myself such time as I may consume.

Again, I want to thank my colleagues from the committee, the principal authors of this bill—Ms. BONAMICI, Mr. HUDSON, and Mr. GUTHRIE—for their fine work here and for the spirit of enthusiasm and bipartisanship which they have brought to this effort.

I would remind all of my colleagues, as we move forward towards reauthorizing the Higher Education Act, this is absolutely not the whole thing, but it is another important step down that road.

I urge my colleagues to support this important legislation, and I yield back the balance of my time.

The CHAIR. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

In lieu of the amendment in the nature of a substitute recommended by the Committee on Education and the Workforce, printed in the bill, it shall be in order to consider as an original bill for the purpose of the amendment under the 5-minute rule an amendment in the nature of a substitute consisting of the text of the Rules Committee Print 113-53. That amendment in the nature of a substitute shall be considered as read.

The text of the amendment in the nature of a substitute is as follows:

H.R. 4984

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**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 borrower 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 student, 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 student 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)).*

*"(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 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 loans, an explanation that Federal student loans typically offer better terms and conditions than private loans, 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)(6) of the Truth in Lending Act; 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.*

*"(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, the anticipated monthly payment amount under, at minimum, a standard repayment plan and, using the 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 based on—*

“(i) a range of levels of indebtedness of—  
 “(I) borrowers of Federal Direct Stafford Loans or Federal Direct Unsubsidized Stafford Loans; and  
 “(II) as appropriate, graduate borrowers of Federal Direct PLUS Loans or Federal Direct Unsubsidized Stafford Loans; or  
 “(ii) the average cumulative indebtedness at graduation for students who borrowed loans made under part D and 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, 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, sample monthly repayment amounts under the standard repayment plan based on—  
 “(i) a range of levels of indebtedness of borrowers of Federal Direct PLUS Loans made on behalf of a dependent student; or  
 “(ii) 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 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 (x), as so redesignated, by striking “consolidation loan under section 428C or a”;

(F) in clauses (xi) and (xii), as so redesignated, by striking “and” at the end; and  
 (G) 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)”; and  
 (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 section 485(l)(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. 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.*

The CHAIR. No amendment to that amendment in the nature of a substitute shall be in order except those printed in part B of House Report 113-546. Each such amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. KLINE

The CHAIR. It is now in order to consider amendment No. 1 printed in part B of House Report 113-546.

Mr. KLINE. Madam Chair, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 2, line 7, strike "borrower" and insert "individual".

Beginning page 7, line 12, amend subparagraph (L) to read as follows:

"(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.".

Page 11, beginning line 7, amend subparagraph (C) to read as follows:

"(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.".

Page 13, line 17, insert "after receiving the applicable counseling under paragraphs (2), (4), and (5) for the loan" after "ensure that".

Page 19, beginning line 1, redesignate section 5 as section 6.

Page 18, after line 24, insert the following:  
**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.

The CHAIR. Pursuant to House Resolution 677, the gentleman from Minnesota (Mr. KLINE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Minnesota.

Mr. KLINE. Madam Chair, I rise in support of the manager's amendment. This amendment is brought forth in close cooperation with the ranking member of the committee, my friend GEORGE MILLER.

This amendment will improve the information provided to first-time student loan borrowers and clarify that borrowers must accept their loans annually after they have completed their counseling.

The amendment will also require the Director of the Institute of Education Sciences to collect a study of the impact and effectiveness of the student loan counseling required under this act.

This amendment ensures borrowers are getting the information they need prior to making their final decisions on how to pay for their college education. It also ensures policymakers have information on how well financial aid counseling is working to prevent over-borrowing and what can be improved to make it even more effective.

The underlying bill, which received unanimous support coming out of the committee, will deliver students and parents the tools and information they need to borrow and repay their student loans in a responsible way. This amendment improves the bill.

I urge my colleagues to support this amendment, and I reserve the balance of my time.

Ms. BONAMICI. Madam Chair, I rise in opposition to this amendment, but I do not oppose the amendment.

The CHAIR. Without objection, the gentlewoman from Oregon is recognized for 5 minutes.

There was no objection.

Ms. BONAMICI. Madam Chair, the manager's amendment, which I support and encourage my colleagues to support, helps bolster counseling for first-time borrowers, so that they are fully aware of the financing they may be required to use over their entire college education.

The manager's amendment also ensures that students needing to borrow a student loan receive counseling before they sign the master promissory note.

I am also pleased that this manager's amendment includes my proposal for the Department of Education to do a comprehensive, longitudinal study on the impact and effectiveness of current student loan counseling practices, so we know what actually works.

We owe it to student loan borrowers and higher education institutions to find out if the counseling requirements affect borrowers' understanding and their decisions.

In particular, we need to know if the programs we create in Congress improve outcomes for students. Will enhanced financial counseling help more students earn degrees, borrow less, and successfully enter repayment? We need to know if these outcomes benefit equally students of different races, ethnicities, genders, and income levels.

I urge my colleagues to vote "yes" on this bipartisan manager's amendment, so that students can have more and better and high-quality information about their student loans.

Madam Chair, I yield back the balance of my time.

Mr. KLINE. Madam Chair, I thank the gentlewoman from Oregon for her support of this amendment. She is a principal author of the underlying legislation and her support of this amendment is very, very helpful.

I urge all my colleagues to support this amendment and the underlying bill, and I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Minnesota (Mr. KLINE).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. KILMER

The CHAIR. It is now in order to consider amendment No. 2 printed in part B of House Report 113-546.

Mr. KILMER. Madam Chair, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 3, after line 11, insert the following:

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

The CHAIR. Pursuant to House Resolution 677, the gentleman from Washington (Mr. KILMER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Washington.



Mr. KILMER. Madam Chair, I yield myself such time as I may consume.

I rise today as someone who went to college with the help of grants and loans and the support of a family and a community that had my back. It is in that spirit that I rise today to offer an amendment designed to help students and borrowers get access to more information about sound financial practices.

We know that financial literacy is important. It helps provide people with a roadmap for making sound financial decisions, to avoid or get out of debt, to prepare for emergencies, and to save for a brighter future.

Studies have found that 20-somethings have an average debt of \$45,000, primarily from student loans, but also from car loans, mortgages, and credit card debt. When the Organization for Economic Cooperation and Development provided an international financial literacy test, American students ranked below average.

We need to do more to promote financial literacy, and it is particularly important that students who are getting federally-supported loans are getting the tools that they need to keep their finances on track.

We need to support resources that teach students financial literacy and provide them with the tools that they need to improve decisionmaking and strengthen their household budgets. Helping more students shore up their financial management skills also has a direct impact on the economic and financial stability of our country.

Congress took a critical step forward in providing these resources by creating the Financial Literacy and Education Commission as part of the Fair and Accurate Credit Transaction Act of 2003, legislation that passed the House with overwhelmingly bipartisan support and was signed into law by President George W. Bush.

The Financial Literacy and Education Commission developed resources that help consumers better understand financial products. It offers guidance on how to financially prepare for and respond to major life events, and it gives tips on savings and borrowing and deterring fraud.

The amendment that I offer today would direct universities and the Department of Education to provide students with information about the financial management resources provided by the Financial Literacy and Education Commission.

For many students, a student loan is the first loan of their lives. As students consider the financial assistance that they need to get a decent education, it is critically important that they have the information they need to responsibly manage their finances.

I particularly want to applaud the ongoing work and leadership in promoting financial literacy by the co-chairs of the House Financial and Economic Literacy Caucus, including Representative HINOJOSA, who has been a

strong advocate of financial literacy initiatives and played a critical role in creating this commission.

I am also pleased to be joined by my colleague from Alabama (Mr. BACHUS), who sponsored this legislation that helped create this commission.

I reserve the balance of my time.

Mr. BACHUS. Madam Chair, I claim the time in opposition, although I am not opposed.

The CHAIR. Without objection, the gentleman from Alabama is recognized for 5 minutes.

There was no objection.

Mr. BACHUS. Madam Chair, I want to commend the gentleman from Washington (Mr. KILMER) for what I consider a straightforward, commonsense amendment.

This is an amendment to the Fair and Accurate Credit Transaction Act, what we commonly call the FACT Act. The FACT Act is known for a free credit report and the requirement on the three main credit reporting agencies to amend their records.

If you notify one of an error, they have to make an examination and then correct it. Financial literacy was also an important part of the FACT Act because you have your credit report, but if you don't have good financial literacy, it is not going to be a good credit report.

In 2003, the subcommittee—which I chaired at that time—passed this in the full committee, and we had bipartisan support. Judy Biggert—who is no longer with us—from Illinois, I think, was one of the leaders on our side, but there were many on both sides.

A commission was formed without almost any cost to the people, and it did a lot of good research on financial literacy, how to avoid bad financial decisions, debt load, what different financial products were there, where to turn in case of an emergency. It is called mymoney.gov. It is an excellent resource.

What we found—and Mr. KILMER did a lot of work on this and Mr. HINOJOSA and others—is that people are not utilizing that and that colleges and universities, when students apply for loans, they are not directing them to that site, which can actually save them money upfront. So what this does is it engages the colleges and universities and simply encourages them to have their students take advantage of them.

Particularly, there is an urgency today because we often hear that students are leaving school with high debt loads, and hopefully, as a result of this amendment and other steps that are being taken in this important legislation overall, students in the future can avoid some of the mistakes and not graduate with such a heavy debt load.

It is refreshing to have a bipartisan measure, and I reserve the balance of my time.

Mr. KILMER. Madam Chair, I yield 1 minute to the gentlewoman from Oregon (Ms. BONAMICI).

Ms. BONAMICI. Madam Chair, I thank Mr. KILMER for yielding.

I rise in support of the Kilmer-Hinojosa-Bachus-Petri-Tsongas amendment. This amendment will ensure that students are aware of important consumer information tools of the Financial Literacy and Education Commission created by the Treasury.

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We know that students often lack basic financial literacy, which makes it hard for them to make thoughtful decisions on complex financial products. Financial institutions may be providing information that is designed to steer young people into accounts that may not be best for them.

Providing important consumer information in an unbiased way can increase financial literacy of students and may help reduce college costs. That is exactly what this amendment accomplishes.

I urge my colleagues to vote “yes” on this amendment so students can be equipped with better and more comprehensive financial literacy tools.

Mr. BACHUS. Madam Chair, I would simply recognize Mr. PETRI's and Ms. TSONGAS' contributions in helping Mr. KILMER with this amendment—and there may be others.

I want to express to the full committee chair our appreciation for supporting this amendment, and I yield back the balance of my time.

Mr. KILMER. Madam Chair, I just want to close by thanking Mr. BACHUS not just for his support of this amendment, but for his career of work on behalf of financial literacy, and not just working on behalf of our students, but all of our families.

I also want to thank the rest of my fellow cosponsors of the underlying bill, as well as the chairman and the ranking member and their staffs for working with me on this amendment.

As someone who couldn't have gone to college without the assistance of financial aid, I am hopeful that this will take a meaningful step toward providing young people with tools that they need to live financially responsible lives.

With that, I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Washington (Mr. KILMER).

The question was taken; and the Chair announced that the ayes appeared to have it.

Mr. KILMER. Madam Chair, I demand a recorded vote.

The CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Washington will be postponed.

AMENDMENT NO. 3 OFFERED BY MR. MURPHY OF FLORIDA

The CHAIR. It is now in order to consider amendment No. 3 printed in part B of House Report 113-546.

Mr. MURPHY of Florida. Madam Chair, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 3, after line 11, insert the following:

“(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 borrower for persons 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.

The CHAIR. Pursuant to House Resolution 677, the gentleman from Florida (Mr. MURPHY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. MURPHY of Florida. Madam Chair, I rise today to support giving students and families the resources needed to make informed decisions about both their education and their finances.

I want to congratulate the gentleman from Kentucky (Mr. GUTHRIE) for his great work on this bill. I also want to thank the chairman, Mr. KLINE, and Ranking Member MILLER for working in a truly bipartisan process on this legislation to provide students with commonsense, personalized financial counseling about one of the greatest investments a student can make: their investment in their own education.

I strongly support the underlying legislation and offer this amendment as a complement to better inform students about not only the costs, but the benefits of completing their education.

With tuition rates quickly outpacing grants and scholarships, American students and their families increasingly rely on student loans to access higher education. Coupled with increased enrollment, student loan debt has ballooned to more than \$1.2 trillion—greater than credit card debt, for the first time in history.

Last summer, we came together to pass bipartisan legislation which decoupled student loan interest rates from the whims of Washington and provided students and families the certainty needed to make long-term plans for the future. The bill before us today continues that mission by giving students the information they need to understand the rights and responsibilities that come along with investing in their higher education.

For many students, these loans are their first and often most costly experience as a borrower. Failing to provide students with the information they need to make responsible decisions and manage their debt does not just impact the delinquent borrower, but also the taxpayers.

Similarly, having students understand both their monthly and lifetime costs of debt they are accruing will enlist students in the fight to get student loan debt under control.

That said, despite mounting debt, a college degree is still generally one of the best investments students can make. For example, the average in-

come for young adults with a bachelor's degree is just over \$50,000, with only 4.9 percent unemployment. The dropoff for individuals who do not finish is steep, around \$13,000 per year of income and a much higher unemployment rate of 7 percent.

We do not want students failing to complete their degree simply because they fear taking out additional loans. That is why I am putting forward this reasonable amendment to improve the underlying legislation by simply adding the inclusion of income and employment data for different levels of educational attainment. This information would strengthen the counseling required by improving students' perspectives as they take charge of their future and their finances.

Madam Chair, this major potential earnings reduction, combined with hefty student loans in repayment, is a recipe for financial disaster. That is why it is so important that students and families have the full picture when making decisions regarding investments in higher education, as the underlying bill offers.

I urge my colleagues to support this simple yet important amendment to make sure students can make the best decision possible while understanding the full impact of student loans they take out.

I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Florida (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MS. LORETTA SANCHEZ OF CALIFORNIA

The CHAIR. It is now in order to consider amendment No. 4 printed in part B of House Report 113-546.

Ms. LORETTA SANCHEZ of California. Madam Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 4, line 4, strike “(E)” and insert “(F)”.

Page 4, after line 3, insert the following:

“(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.”.

The CHAIR. Pursuant to House Resolution 677, the gentlewoman from California (Ms. LORETTA SANCHEZ) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California.

Ms. LORETTA SANCHEZ of California. Madam Chair, I yield myself such time as I may consume.

Madam Chair, we all know that higher education is a key to the ladder of success in the United States. It is one of the most important things that we can invest in. We just recently saw a

study that showed that if, in fact, you have a 4-year degree, you are going to make significantly more than if you just graduated from high school. You can imagine that in today's world—at least where I live in California, the innovation State—a master's or a doctorate is really what you need to have.

The value of a degree is very, very important, but we also see, of course, the student debt increasing. Students get out with their bachelor's degree, have a mound of debt, and then they are trying to get a master's, a Ph.D., or a profession. It is very, very difficult.

One of the most vital programs that we have in the United States is the Pell grant program to help them. But let's face it, it is very difficult to understand all the ins and outs of how to get a Pell grant, how you use it, the purpose, how many units you can take, what you can't take, how long it can take you, et cetera, et cetera. So it is another burden that we are putting on the students and the families when they don't really get the good picture of how to use that program.

My amendment would help spell out for students and families how that Pell grant would be used. It would simply require institutions to better counsel transfer students on their maximum Pell grant eligibility and the effect that it may have as a result of credits in courses that don't transfer to another institution.

I know that, at least in California, when we look to go to the university, we usually say let's do the first year at the least expensive place to do it, and that would be our community college—which, by the way, they are the gems of our community. They are doing incredible work.

But sometimes when students using the Pell grant get there, they might have, for example, some remedial classes. They might have to brush up on their English or their math. In doing that, the Pell grant is being used up, and then those units don't transfer to that 4-year university they go to. So the student ends up miscalculating what it is really going to cost them to finish off their diploma.

This amendment simply looks to make these types of obstacles obvious and transparent to possible transfer students so as to have the clearest view of their degree timelines and the impact on their financial aid.

Let's ensure that students have the clearest information, that they get it upfront, and that they understand how they are going to get this done. In fact, a lot of these students are sometimes first-timers in their families who are trying to achieve a diploma from a university.

We are still miles away from getting that achievement gap closed in many of our communities. I know we have been working on it for a long time now in Orange County, California, but this will be a little piece of trying to get that.



While I am at it, I would like to thank Congressman GUTHRIE, Congressman HUDSON, and Congresswoman BONAMICI, who have, in good faith, championed the work on this bill. I still wish we could get to the Higher Education Act, but if we can't do that, this is a good first step.

I reserve the balance of my time.

Mr. KLINE. Madam Chair, I claim the time in opposition to the amendment, although I do not oppose the amendment.

The CHAIR. Without objection, the gentleman from Minnesota is recognized for 5 minutes.

There was no objection.

Mr. KLINE. Madam Chair, I want to make the point that I am supporting all of the amendments offered today, but I wanted to take this opportunity with this particular amendment to thank the gentlewoman from California, because this amendment makes sure that these students in this confusing world that we are trying to help sort out get a clear explanation that their Pell grant eligibility is limited to 12 semesters and it will not reset if they transfer.

That is just an example of the kind of confusion that is out there, and it is one of the reasons that we insisted on putting counseling for Pell grant recipients, not just loan recipients, in the base bill. But her language brings absolute clarity to this issue. I thank her for that.

I support this amendment and the other amendments, and I yield back the balance of my time.

Ms. LORETTA SANCHEZ of California. Madam Chair, I ask my colleagues to vote for this amendment, and I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentlewoman from California (Ms. LINDA SANCHEZ).

The amendment was agreed to.

AMENDMENT NO. 5 OFFERED BY MR. COHEN

The CHAIR. It is now in order to consider amendment No. 5 printed in part B of House Report 113-546.

Mr. COHEN. Madam Chair, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 5, line 10, insert at the end the following: "an explanation of treatment of loans made under part D and private education loans in bankruptcy,".

The CHAIR. Pursuant to House Resolution 677, the gentleman from Tennessee (Mr. COHEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Tennessee.

Mr. COHEN. Madam Chair, this amendment is very simple. It would add an explanation of how Federal and private student loans are treated in bankruptcy to the list of the disclosures contained in the underlying bill.

Unfortunately, too many students lack basic financial literacy, and if

they don't have a proper understanding of their rights and responsibilities when it comes to student loans, it can lead to serious consequences for their financial future.

That is why I am pleased to support this legislation that Mr. KLINE has offered—he has done such a good job bringing a bipartisan bill here—and the important financial counseling it requires.

However, one area that is not included is an explanation of the stringent requirements we have placed when it comes to erasing your student loans in bankruptcy.

While bankruptcy is never something to be taken lightly, our system does allow an honest but unfortunate debtor the opportunity for a fresh start if their financial situation is desperate enough. Most people assume that their student loans can be discharged along with their other consumer debts during bankruptcy proceedings, but that is not the case.

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Under current law, borrowers must show that continuing to back their loans would impose an "undue hardship" on them and their dependents, a standard that, in practice, is nearly insurmountable. Bankruptcy law exempts very few types of debt from elimination through the bankruptcy process, but there are certain exceptions. For example, for principled policy reasons, we exempt child support, taxes, criminal fines, and intentional torts. In 1978, Congress added Federal student loans to this list.

This protects Federal student loan programs—and the taxpayer dollars that fund them—from fraud and abuse by borrowers. This also makes sense because Federal loans offer certain protections to ease the burden on debtors, like fixed interest rates and opportunities for deferments, income-based repayments and forbearance; but in 2005, the Bankruptcy Protection Act was passed, and the bankruptcy protection was extended to private loans, which are not required to have and often do not have such consumer protections. In fact, private lenders often market directly to students, luring them into unaffordable loans that saddle them with debts for decades to come.

That is why I have introduced legislation to remove the exemption for private student loans and why the Consumer Financial Protection Bureau has called for a study on whether bankruptcy rules for student loans should be modified. That, however, is not the issue here. The fact remains that this is the law, and students should be aware that their loans, both Federal and private, can only be discharged in bankruptcy in exceptional circumstances. That is why I propose this small refinement to the underlying legislation—to ensure that borrowers understand the hurdles they may face in wiping the slate clean.

I thank Mr. KLINE for allowing this and the Rules Committee for allowing

this amendment to be made in order, and I urge my colleagues to support it.

I reserve the balance of my time.

Mr. KLINE. Madam Chair, I rise in opposition to the amendment, although I do not oppose the amendment.

The CHAIR. Without objection, the gentleman from Minnesota is recognized for 5 minutes.

There was no objection.

Mr. KLINE. Madam Chair, I think, again, this amendment is underscoring the many issues that students and their parents and families are facing as they go into this postsecondary education adventure. Some of them, really, are coming off of jobs. The last thing they are thinking about is bankruptcy or the size of their loans. Most of them don't even know what bankruptcy is—or many of them don't know. Maybe they are a lot smarter than I was at that time.

This amendment makes it clear that they understand the difference between the rules under a student loan—if they don't pay it or can't pay it—and under other loans. Without this sort of explanation, they wouldn't have any idea that their loans were not dischargeable in bankruptcy except, as the gentleman says, in some unusual circumstances.

Again, that is why this sort of financial counseling early and often is going to be very careful, because this isn't a simple matter of taking out—we will use a car loan as an example with a set amount, a set interest—a set amount that you pay back for a set number of years. Folks understand how that works. But in having student loans merged with all sorts of other programs—workstudy programs and Pell grants and so forth—it is no wonder that students are graduating, stepping out and—oh, by the way—they can't find jobs because the economy is in so much trouble. They had such high expectations when they stepped into their college experiences or their postsecondary experiences, and then they came out and found out that the jobs weren't available, and they have this confusing mess that they have to deal with, and the last thing that they ever gave any thought to was this whole notion of bankruptcy.

I thank the gentleman for his amendment, and I reserve the balance of my time.

Mr. COHEN. Madam Chair, I thank Mr. KLINE for his explanation and his support. He is upriver from us, but that is where the Mississippi River starts before it becomes so beautiful on the bluffs of the city of Memphis.

I yield back the balance of my time.

Mr. KLINE. Now I can't pass it up.

Madam Chair, there is quite a bit of difference in the Mississippi River between the gentleman's district and Minnesota. In fact, you can step across the Mississippi River in Minnesota, and I don't think that is true—in fact, I am absolutely positive that it is not true—anywhere else. It is always interesting when we have guests come to our great

State. When we ask them if they would like to step across the river, they are disbelieving until we take them up there to Itasca. Literally, it is no wider than this desk.

I wish that trying to figure out one's student loans and grants and work studies were as easy as getting across the Mississippi River.

I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Tennessee (Mr. COHEN).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MS. HAHN

The CHAIR. It is now in order to consider amendment No. 6 printed in part B of House Report 113-546.

Ms. HAHN. Madam Chairwoman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 10, line 5, strike "and the" and insert "the most recent national average cohort default rate, and the".

The CHAIR. Pursuant to House Resolution 677, the gentlewoman from California (Ms. HAHN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California.

Ms. HAHN. Madam Chairwoman, I yield myself such time as I may consume.

I am proud to support the legislation that we are considering today, and I applaud my colleagues on both sides of the aisle for coming together to work on this important bill.

As we have been hearing, it is critical that we provide our Nation's students with the information they need to make informed decisions about what colleges they should attend and how they should pay for them.

I think the authors of this bill did a great service by including a provision to provide students with information about the student loan default rate for the schools they plan to attend. However, I believe that this legislation does not provide the students with the national student loan default rate across all schools, making it harder for them to have an accurate understanding of where their prospective schools stand nationally.

I have introduced a simple amendment to provide student loan borrowers with the latest national average default rate for all schools. If this amendment passes, all students, as they are applying for their student loans, will know what the default rate for student loans is at the schools they are choosing to attend versus the national default rate for student loans. I believe that this will allow students to better determine whether an institution has a record of delivering a quality education that is right for them. By providing students with more tools in their pursuits of education, students will be able to make more informed choices and save taxpayers the cost of more Federal student loans going into default.

Students in my district and around the country know the burden of student loan debt all too well. Giving our students all of the information will give them a better chance of being able to repay their loans and build successful futures.

Mr. Chairman and my colleague, Ms. BONAMICI, I applaud you on your work on this strong and important piece of legislation, and I urge all of my colleagues to vote "yes" on my amendment.

I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentlewoman from California (Ms. HAHN).

The amendment was agreed to.

AMENDMENT NO. 7 OFFERED BY MR. PETERS OF MICHIGAN

The CHAIR. It is now in order to consider amendment No. 7 printed in part B of House Report 113-546.

Mr. PETERS of Michigan. Madam Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 15, after line 16, insert the following new subparagraph, and redesignate the succeeding subparagraphs accordingly:

(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,";

The CHAIR. Pursuant to House Resolution 677, the gentleman from Michigan (Mr. PETERS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan.

Mr. PETERS of Michigan. Madam Chair, I rise today to offer an amendment that builds upon the existing language in this bill to strengthen protections for American students. My amendment ensures students have the information that they need to make important financial decisions that could impact their lives long after graduation.

As you may be aware, combined student loan debt in our Nation has topped \$1 trillion, and the unfortunate reality is that many of those students do not know the enormous harm that defaulting on that debt can cause to them. Nearly 15 percent of the student loan borrowers default within 3 years of graduation, and this can have serious consequences on their ability to rent an apartment, to purchase a car or a house, or to even obtain future employment.

Madam Chair, I applaud the spirit of this bipartisan legislation to provide enhanced financial counseling services to our Nation's students, and I look forward to voting in favor of it. My amendment will make a very simple adjustment to ensure the full effectiveness, however, of the bill.

My amendment will simply require that all student borrowers receive an

explanation of the impact of a delinquency or of a default on loans to their credit scores, including the borrower's future ability to find employment or to purchase a home or a car. It is important for students to have this information when they first receive the loans. For many recent graduates, the idea of a credit report or a credit score may seem very abstract. My amendment ensures that the impact of delinquencies or defaults are explained in very concrete terms.

Recent graduates are the top in their fields but, all too often, fall behind when it comes to financial literacy, which can have a lasting impact on their lives, and it can also take a toll on our economy. For more than 20 years, I worked as a financial adviser, helping families plan for their futures. It is important that all of our graduates understand how the decisions they make today will affect them and their families down the road when they are finding a job, buying a car, or renting or trying to own a home. We need to promote financial literacy when it can do the most good—before a borrower gets in trouble.

As we continue working to make college more affordable for our students, I believe this legislation and my amendment to it are both commonsense steps in the right direction that we can act on immediately. I look forward to a strong bipartisan vote on this bill, and I hope the Senate takes up this important legislation in a timely manner. I urge my colleagues to join me in the support of this amendment.

I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Michigan (Mr. PETERS).

The amendment was agreed to.

Mr. KLINE. Madam Chair, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Ms. FOXX) having assumed the chair, Mrs. BLACK, Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 4984) to amend the loan counseling requirements under the Higher Education Act of 1965, and for other purposes, had come to no resolution thereon.

PROVIDING FOR CONSIDERATION OF H.R. 3393, STUDENT AND FAMILY TAX SIMPLIFICATION ACT, AND PROVIDING FOR CONSIDERATION OF H.R. 4935, CHILD TAX CREDIT IMPROVEMENT ACT OF 2014

Mr. COLE. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 680 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 680

Resolved, That upon adoption of this resolution it shall be in order to consider in the