

This bill also makes technical changes to the program, such as changing the name of an account to more adequately describe the purpose of the fund. The simple change in name may increase participation by public HBCUs which otherwise may have been discouraged from participating.

The HBCU Capital Financing Improvement Act also provides additional support to institutions interested in participating but unable to meet the program's financial requirements. This bill allows the Department of Education to offer financial counseling to interested HBCUs, in addition to the technical assistance already provided by the agency through the program.

The HBCU Capital Financing Program provides integral investments to HBCUs, allowing them to provide students with enhanced learning and living environments, rebuild and restructure historic buildings, and provide jobs in communities.

□ 1630

Without this important program, many HBCUs would be unable to maintain their campuses and make the improvements necessary to serve their student populations. Additionally, this financing program has been an effective tool, and it has exhibited very limited risk to the Federal Government and taxpayers.

I hope these changes will encourage and help more HBCUs take advantage of the capital financing program, and I encourage all of my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. BYRNE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I hope the public is seeing as they watch this and all our colleagues are learning, all of these higher education bills are moving with bipartisan support. Either you have a Democratic sponsor and a Republican cosponsor or a Republican sponsor and a Democratic cosponsor. As they passed through our committee, they passed unanimously, which just goes to show that there are things that we in this Congress can work on together in a bipartisan fashion to make improvements for the American people.

I hope that we will build on what we are doing today on these very important pieces of higher education legislation not just in our committee, but throughout the Congress because the American people sent us here to work together to get their problems solved and help them improve their lives. I think it is a very important idea we advance in this bill.

Mr. Speaker, I have no further speakers. I am prepared to close, and I reserve the balance of my time.

Ms. ADAMS. Mr. Speaker, I would like to simply close by saying that I want to thank Congressman BYRNE and all the committee for their support of this important legislation and to all of our bipartisan cosponsors as well be-

cause what we have here, this legislation will definitely make improvements to the HBCU capital financing program which ultimately supports our HBCUs.

Mr. Speaker, I have no other speakers, and I yield back the balance of my time.

Mr. BYRNE. Mr. Speaker, in closing, I want to thank Representative ADAMS for her leadership on the issue of HBCUs in general, for her leadership in the bipartisan caucus, and for advancing this particular piece of legislation. I want to thank all of our colleagues that worked with us not just on this legislation, but through the other work of the caucus.

HBCUs are an integral part of our higher education system in America, and I am proud of the work we have done to address the unique challenges they face. I look forward to continuing that work as we advance legislation like the HBCU Capital Financing Improvement Act. By enhancing an existing program, H.R. 5530, will help these institutions make worthwhile investments that will benefit their students and the United States of America for years to come.

Mr. Speaker, I urge my colleagues to support this legislation.

I yield back the balance of my time.

Ms. JACKSON LEE. I rise in support of H.R. 5530, "HBCU Capital Financing Improvement Act" and thank my good friend Congresswoman ADAMS for her leadership on this important bill.

In particular, this bill strengthens and streamlines capital financing of historically Black colleges and universities, and bolsters the welfare of these institutions by providing financial counseling and technical assistance to qualified schools.

This legislation will help lay the foundation needed to develop critical solutions to meet current and emerging needs, like student retention and improving graduation rates.

As the founder and chair of the Children's Caucus and Member of the Congressional Black Caucus, I am particularly concerned about the events of the last few days and weeks that highlight a national problem that involves the health and well-being of young African American boys and young men.

One important solution must be access to affordable quality education for every person in this nation.

HBCUs graduate far more than their share of African American professionals.

While the 105 HBCUs represent just 3 percent of the nation's institutions of higher learning, they graduate nearly one quarter of African Americans who earn undergraduate degrees.

I am proud that Texas Southern University one of the nation's great HBCU is a constituent in my home city of Houston.

I routinely partner with Texas Southern University to promote education opportunities and collaborate on community projects routinely.

H.R. 5530 will help facilitate my work with Texas Southern University and other HBCUs by expanding the financial opportunities they need.

America's HBCUs have a proud and solid tradition.

Scattered throughout the nation, many of these institutions of higher learning have fostered the academic development of African-Americans for over a century.

Since their inception, HBCUs have furthered the development of African Americans who have become leaders in science, health, government, business, and education, the military, law, and world affairs including:

Booker T. Washington, Founder of Tuskegee Institute

Rev. Dr. Martin Luther King;

Supreme Court Justice Thurgood Marshall;

World renowned opera singer Leontyne Price;

Media mogul Oprah Winfrey;

And Congresswoman Barbara Jordan of Texas

Mr. Speaker, we must continue to provide our strong support to HBCUs so that every citizen can enjoy a future of hope and opportunity.

We commend these great institutions as they build on a foundation of continued success for every college student.

Graduates of HBCUs have made great contributions to our society, and America, and they continue to serve as role models for all Americans.

Most Americans agree that education provides the best chance of preparing today's youth to lead the Nation throughout the next century.

Mr. Speaker, I urge my colleagues to join me in recognizing the importance of National Historically Black Colleges and Universities and help strengthening them by continued funding these critical institutions and ensuring our nation's youth have access to quality education.

The SPEAKER pro tempore. The question on the motion offered by the gentleman from Alabama (Mr. BYRNE) that the House suspend the rules and pass the bill, H.R. 5530, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### EMPOWERING STUDENTS THROUGH ENHANCED FINANCIAL COUNSELING ACT

Mr. GUTHRIE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3179) to amend the loan counseling requirements under the Higher Education Act of 1965, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3179

*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:*

*"(1) 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 (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. 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.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky (Mr. GUTHRIE) and the gentleman from Wisconsin (Mr. POCAN) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

#### GENERAL LEAVE

Mr. GUTHRIE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 3179.

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

There was no objection.

Mr. GUTHRIE. Mr. Speaker, I yield myself such time as I may consume.

I rise today in strong support of H.R. 3179, the Empowering Students Through Enhanced Financial Counseling Act.

Mr. Speaker, as a member on the Committee on Education and the Workforce, I was pleased to introduce a bipartisan bill that will help address a number of challenges Americans face

as they pursue their dream of higher education.

As students and families explore all of the available options when trying to choose the right college or university, they face a daunting number of difficult choices, especially when it comes to financing their education.

Deciding how to pay for college is an important decision that could have a lasting impact on a student's finances—long after he or she graduates and enters the workforce. Unfortunately, current policies that are supposed to promote the financial literacy of aid recipients often leave students and their families in the dark.

Here is a troubling statistic: in a survey of current students and recent graduates who are carrying a high level of student loan debt, more than 40 percent couldn't remember ever receiving financial counseling—even though it was required before receiving their first loan.

With college costs on the rise, we need to do more to help students and their families make informed, responsible decisions when it comes to financing a postsecondary education. That is why I, along with Representatives ALLEN and BONAMICI, introduced H.R. 3179.

This bipartisan legislation will provide Americans with the tools they need to better understand their financial aid options and obligations. By improving the timing and frequency of financial counseling, the bill will empower students and parents to make smart decisions about how to pay for their education and avoid unnecessary financial hardship down the road.

The bill will require student and parent borrowers to receive financial counseling before even agreeing to a loan, helping them understand the responsibilities they are taking on before they sign on the dotted line. The bill also enhances the quality of the counseling, ensuring it is tailored to a borrower's unique needs and circumstances.

The same is true for certain students who rely on Pell grants to finance their education. Under this legislation, students who receive a Pell grant but never receive a Federal student loan would also have to receive annual counseling to ensure they are aware of the grant's terms and conditions.

Just as importantly, this bill will bolster exit counseling to help student borrowers understand their responsibilities as they leave school. This legislation will help ensure students understand their options and obligations when they begin their college careers and when they graduate.

While it is important for students and parents to understand their functional obligations, it is important for them to understand their financial options as well. For example, while Federal loans have a number of benefits for borrowers, certain State, nonprofit, and private loans may actually have more beneficial annual percentage

rates, particularly at the graduate and parent levels. An accurate comparison is important because it will allow students and parents to make the decision that is best for them.

Together, these and other reforms in the bill will empower students and their families to make informed, responsible decisions when deciding how to finance their higher education. I urge my colleagues to vote "yes" on this bipartisan legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. POCAN. Mr. Speaker, I yield myself such time as I may consume.

I rise today in support of H.R. 3179, the Empowering Students Through Enhanced Financial Counseling Act, a bill my colleague, Representative BONAMICI, has been a leader on.

A college degree remains one of the best investments a person can make to improve their skills and widen economic opportunities. At the same time, the decision to go to college also represents one of the most expensive decisions families can make. Many students and their families go into this process without the proper information to make this choice. The student debt crisis is, in part, a crisis in financial literacy where students lack knowledge about repayment plans that can help them affordably manage their student debt.

Through legislation passed by Congress and regulations implemented by President Obama, most students taking out loans today can already cap their loan payments at an affordable 10 percent of their discretionary income. Yet students are often unaware of these repayment options.

H.R. 3179 is a critical step in the right direction, filling a financial literacy gap faced by too many student aid recipients. This act provides better upfront, ongoing, and exit counseling information on financial aid and student debt so that students can make more informed choices of how to finance their education and always know how much they will owe.

This legislation also allows borrowers to receive important counseling that private loans are not as generous as Federal loans and are informed of their rights as a consumer when taking out a private loan.

There are many steps which need to be taken to address college affordability, and I am pleased to support this commonsense measure. I appreciate the leadership of my colleague from Kentucky.

Mr. Speaker, I reserve the balance of my time.

Mr. GUTHRIE. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. KLINE), the chairman of the full committee.

Mr. KLINE. Mr. Speaker, I thank the gentleman for yielding and for his hard work on this and so many other bills in the Education and the Workforce Committee.

Mr. Speaker, today I rise in strong support of this package of legislation.

This bill is one of several bipartisan reforms the House is considering today that will help strengthen higher education and put more Americans on a path to success.

A quality education is crucial to succeeding in today's workforce. Unfortunately, our costly, bureaucratic, and outdated higher education system leaves too many Americans behind.

We all know the tough challenges that exist. College costs continue to rise. A dizzying maze of student aid programs discourages students from pursuing a degree or credential. Complex Federal rules impede innovation and make it harder for students to pursue a degree more quickly and at less cost.

The net result is that it has become harder and harder for Americans to realize the dream of a higher education. Without the skills and knowledge they need to succeed in the workforce, many men and women struggle to find good-paying jobs and earn a living that provides for their families.

Those who are fortunate enough to earn a degree are often saddled with student debt they can't afford and unprepared to start their careers in an increasingly competitive and changing economy.

We have to do better, Mr. Speaker. We have to open more doors to opportunity and help more Americans reach their full potential.

The bipartisan package of higher education reforms we are considering is a positive step toward achieving that goal. Together, these reforms will empower students and their parents to make informed decisions, simplify and improve the student aid process, enhance existing support for institutions serving minority students, and ensure strong accountability for taxpayer dollars.

We have more work to do to strengthen higher education, but today we are making important progress.

I want to thank my Republican and Democratic colleagues for putting their differences aside and working together to help more Americans pursue their dream of a college degree.

Mr. Speaker, I urge Members to support these important proposals.

Mr. POCAN. Mr. Speaker, I don't have any other speakers, and I yield back the balance of my time.

Mr. GUTHRIE. Mr. Speaker, I yield myself the balance of my time.

In closing, I want to remind my colleagues about the importance of this legislation.

With today's struggling economy and the cost of college rising, it is more important than ever for students and their families to make decisions that will help them succeed, not set them up for failure. That includes decisions on how to pay for college.

The Empowering Students Through Enhanced Financial Counseling Act will provide students and parents with the tools and information they need to make financially responsible decisions every step of the way.

This is a bipartisan piece of legislation with my good friends, Mr. ALLEN and Ms. BONAMICI. I am glad to be on the floor with my friend, Mr. POCAN, who I believe has a very big university in his district. He is from Madison. I thank him for doing that.

Mr. Speaker, I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise in support of H.R. 3179, "Empowering Students through Enhanced Financial Counseling Act," which amends the Higher Education Act of 1965 to authorize \$2 million allocated for activities related to student loan counseling.

Financial literacy and consumer awareness is very crucial for all loan borrowers, especially for our youth.

The loan will provide counseling of federal Pell Grant recipients with comprehensive information on the loan terms and conditions, as well as testing these students on their knowledge of this information before accepting the grant.

Students receiving any Federal Loans would be notified of the loan conditions, informing them on the amount, eligibility, exhaustion, and consequences of borrowing the loan.

An important aspect of this procedure includes a requirement for the borrowers to receive the contact information for the institution's financial aid office.

I have college students interning in my office, who have taken out loans for their education and these are the largest sums they have borrowed in their lifetime.

One student did not know that completing the FAFSA would automatically grant her a Federal Stafford Loan, and she did not find out about her loan until she received a job at her institution's financial aid office.

Mr. Speaker, taking this example into account, educated students across the nation are not as familiar with the process and terms of Financial Aid and loans as they should be or as we ought to think they are.

Through H.R. 3179, first-time borrowers will receive statements with interest rates and repayment plan options.

This legislation will educate the individuals seeking an education on how to finance their studies.

This legislation will also create jobs in underserved areas as well.

Mr. Speaker, I urge all of my colleagues on both sides of the aisle to support this legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. GUTHRIE) that the House suspend the rules and pass the bill, H.R. 3179, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 4 o'clock and 45 minutes p.m.), the House stood in recess.

□ 1716

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. RIGELL) at 5 o'clock and 16 minutes p.m.

#### SIMPLIFYING THE APPLICATION FOR STUDENT AID ACT

Mr. HECK of Nevada. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5528) to amend the Higher Education Act of 1965 to simplify the FAFSA, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5528

*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 "Simplifying the Application for Student Aid Act".

#### SEC. 2. USING DATA FROM SECOND PRECEDING YEAR.

Section 480(a)(1)(B) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(a)(1)(B)) is amended by striking "may" in both places it appears and inserting "shall".

#### SEC. 3. CALCULATION OF ANNUAL ADJUSTMENT PERCENTAGE FOR FEDERAL PELL GRANTS.

Section 401(b)(7)(C)(iv)(I) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(7)(C)(iv)(I)) is amended by striking "calendar year" and inserting "fiscal year".

#### SEC. 4. FAFSA SIMPLIFICATION.

(a) FAFSA SIMPLIFICATION.—Section 483 of the Higher Education Act of 1965 (20 U.S.C. 1090) is amended—

(1) in subsection (a)(3), by adding at the end the following:

"(I) FORMAT.—Not later than 180 days after the date of the enactment of the Simplifying the Application for Student Aid Act, the Secretary shall make the electronic version of the forms under this paragraph available through a technology tool that can be used on mobile devices. Such technology tool shall, at minimum, enable applicants to—

"(i) save data; and

"(ii) submit their FAFSA to the Secretary through such tool.

"(J) CONSUMER TESTING.—In developing and maintaining the electronic version of the forms under this paragraph and the technology tool for mobile devices under subparagraph (I), the Secretary shall conduct consumer testing with appropriate persons to ensure the forms and technology tool are designed to be easily usable and understandable by students and families. Such consumer testing shall include—

"(i) current and prospective college students, family members of such students, and other individuals with expertise in student financial assistance application processes;

"(ii) dependent students and independent students meeting the requirements under subsection (b) or (c) of section 479; and

"(iii) dependent students and independent students who do not meet the requirements under subsection (b) or (c) of section 479.";

and

(2) by amending subsection (f) to read as follows:

"(f) USE OF INTERNAL REVENUE SERVICE DATA RETRIEVAL TOOL TO POPULATE FAFSA.—

"(1) SIMPLIFICATION EFFORTS.—The Secretary shall—

"(A) make every effort to allow applicants to utilize the current data retrieval tool to transfer data available from the Internal Revenue Service to reduce the amount of original data entry by applicants and strengthen the reliability of data used to calculate expected family contributions, including through the use of technology to—

"(i) allow an applicant to automatically populate the electronic version of the forms under this paragraph with data available from the Internal Revenue Service; and

"(ii) direct an applicant to appropriate questions on such forms based on the applicant's answers to previous questions; and

"(B) allow single taxpayers, married taxpayers filing jointly, and married taxpayers filing separately to utilize the current data retrieval tool to its full capacity.

"(2) USE OF TAX RETURN IN APPLICATION PROCESS.—The Secretary shall continue to examine whether data provided by the Internal Revenue Service can be used to generate an expected family contribution without additional action on the part of the student and taxpayer.

"(3) REPORTS ON FAFSA SIMPLIFICATION EFFORTS.—Not less than once every other year, the Secretary shall report to the authorizing committees on the progress of the simplification efforts under this subsection.

"(4) REPORTS ON FAFSA ACCESS.—Not less than once every 10 years, the Secretary shall report to the authorizing committees on the needs of limited English proficient students using the FAFSA."

(b) FUNDING.—

(1) USE OF EXISTING FUNDS.—Of the amount authorized to be appropriated to the Department of Education to maintain the Free Application for Federal Student Aid, \$3,000,000 shall be available to carry out this Act and the amendments made by this Act.

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

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nevada (Mr. HECK) and the gentleman from Wisconsin (Mr. POCAN) each will control 20 minutes.

The Chair recognizes the gentleman from Nevada.

#### GENERAL LEAVE

Mr. HECK of Nevada. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and to include any extraneous material on H.R. 5528.

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

There was no objection.

Mr. HECK of Nevada. Mr. Speaker, I yield myself such time as I may consume.

I rise today in strong support of H.R. 5528, the Simplifying the Application for Student Aid Act.

Early last year, I held a roundtable on higher education in my district to help better understand the issues facing students, teachers, and higher education administrators in Nevada. Nearly everyone in attendance raised the issue of the overly complicated student aid process and, specifically, problems with the Free Application for Federal Student Aid, better known as the FAFSA.

Like many aspects of the student aid system, the application for aid can be