

Editorial Notes**PRIOR PROVISIONS**

Prior sections 1018b to 1018f were omitted in the general amendment of this subchapter by Pub. L. 102-325.

Section 1018b, Pub. L. 89-329, title I, §143, as added Pub. L. 100-418, title VI, §6201, Aug. 23, 1988, 102 Stat. 1515, related to use of funds.

Section 1018c, Pub. L. 89-329, title I, §144, as added Pub. L. 100-418, title VI, §6201, Aug. 23, 1988, 102 Stat. 1515; Pub. L. 101-610, title II, §221(a), (b), Nov. 16, 1990, 104 Stat. 3180, related to applications.

Section 1018d, Pub. L. 89-329, title I, §145, as added Pub. L. 100-418, title VI, §6201, Aug. 23, 1988, 102 Stat. 1516, related to technical assistance and coordination contracts.

Section 1018e, Pub. L. 89-329, title I, §146, as added Pub. L. 100-418, title VI, §6201, Aug. 23, 1988, 102 Stat. 1516; Pub. L. 101-305, §5, May 30, 1990, 104 Stat. 258; Pub. L. 101-610, title II, §221(c), Nov. 16, 1990, 104 Stat. 3180, related to authorization of appropriations.

Section 1018f, Pub. L. 89-329, title I, §147, as added Pub. L. 100-418, title VI, §6201, Aug. 23, 1988, 102 Stat. 1516, defined ‘public community agency’, ‘institution of higher education’ and ‘Secretary’.

**PART E—LENDER AND INSTITUTION
REQUIREMENTS RELATING TO EDUCATION LOANS**

§ 1019. Definitions

In this part:

(1) Agent

The term ‘agent’ means an officer or employee of a covered institution or an institution-affiliated organization.

(2) Covered institution

The term ‘covered institution’ means any institution of higher education, as such term is defined in section 1002 of this title, that receives any Federal funding or assistance.

(3) Education loan

The term ‘education loan’ (except when used as part of the term ‘private education loan’) means—

(A) any loan made, insured, or guaranteed under part B of subchapter IV;

(B) any loan made under part D of subchapter IV; or

(C) a private education loan.

(4) Eligible lender

The term ‘eligible lender’ has the meaning given such term in section 1085(d) of this title.

(5) Institution-affiliated organization

The term ‘institution-affiliated organization’—

(A) means any organization that—

(i) is directly or indirectly related to a covered institution; and

(ii) is engaged in the practice of recommending, promoting, or endorsing education loans for students attending such covered institution or the families of such students;

(B) may include an alumni organization, athletic organization, foundation, or social, academic, or professional organization, of a covered institution; and

(C) notwithstanding subparagraphs (A) and (B), does not include any lender with respect to any education loan secured, made, or extended by such lender.

(6) Lender

The term ‘lender’ (except when used as part of the terms ‘eligible lender’ and ‘private educational lender’)—

(A) means—

(i) in the case of a loan made, insured, or guaranteed under part B of subchapter IV, an eligible lender;

(ii) in the case of any loan issued or provided to a student under part D of subchapter IV, the Secretary; and

(iii) in the case of a private education loan, a private educational lender as defined in section 1650 of title 15; and

(B) includes any other person engaged in the business of securing, making, or extending education loans on behalf of the lender.

(7) Officer

The term ‘officer’ includes a director or trustee of a covered institution or institution-affiliated organization, if such individual is treated as an employee of such covered institution or institution-affiliated organization, respectively.

(8) Preferred lender arrangement

The term ‘preferred lender arrangement’—

(A) means an arrangement or agreement between a lender and a covered institution or an institution-affiliated organization of such covered institution—

(i) under which a lender provides or otherwise issues education loans to the students attending such covered institution or the families of such students; and

(ii) that relates to such covered institution or such institution-affiliated organization recommending, promoting, or endorsing the education loan products of the lender; and

(B) does not include—

(i) arrangements or agreements with respect to loans under part D of subchapter IV; or

(ii) arrangements or agreements with respect to loans that originate through the auction pilot program under section 1099d(b) of this title.

(9) Private education loan

The term ‘private education loan’ has the meaning given the term in section 1650 of title 15.

(Pub. L. 89-329, title I, §151, as added Pub. L. 110-315, title I, §120, Aug. 14, 2008, 122 Stat. 3117.)

Editorial Notes**PRIOR PROVISIONS**

A prior section 1019, Pub. L. 89-329, title I, §119, as added Pub. L. 96-374, title I, §101(a), Oct. 3, 1980, 94 Stat. 1383, authorized appropriations for education outreach programs, prior to the general amendment of this subchapter by Pub. L. 99-498.

§ 1019a. Responsibilities of covered institutions, institution-affiliated organizations, and lenders

(a) Responsibilities of covered institutions and institution-affiliated organizations

(1) Disclosures by covered institutions and institution-affiliated organizations

(A) Preferred lender arrangement disclosures

In addition to the disclosures required by subsections (a)(27) and (h) of section 1094 of this title (if applicable), a covered institution, or an institution-affiliated organization of such covered institution, that participates in a preferred lender arrangement shall disclose—

(i) on such covered institution's or institution-affiliated organization's website and in all informational materials described in subparagraph (C) that describe or discuss education loans—

(I) the maximum amount of Federal grant and loan aid under subchapter IV available to students, in an easy to understand format;

(II) the information required to be disclosed pursuant to section 1019b(a)(2)(A)(i) of this title, for each type of loan described in section 1019(3)(A) of this title that is offered pursuant to a preferred lender arrangement of the institution or organization to students of the institution or the families of such students; and

(III) a statement that such institution is required to process the documents required to obtain a loan under part B of subchapter IV from any eligible lender the student selects; and

(ii) on such covered institution's or institution-affiliated organization's website and in all informational materials described in subparagraph (C) that describe or discuss private education loans—

(I) in the case of a covered institution, the information that the Board of Governors of the Federal Reserve System requires to be disclosed under section 1638(e)(11) of title 15, for each type of private education loan offered pursuant to a preferred lender arrangement of the institution to students of the institution or the families of such students; and

(II) in the case of an institution-affiliated organization of a covered institution, the information the Board of Governors of the Federal Reserve System requires to be disclosed under section 1638(e)(1) of title 15, for each type of private education loan offered pursuant to a preferred lender arrangement of the organization to students of such institution or the families of such students.

(B) Private education loan disclosures

A covered institution, or an institution-affiliated organization of such covered institution, that provides information regarding a private education loan from a lender to a prospective borrower shall—

(i) provide the prospective borrower with the information the Board of Governors of the Federal Reserve System requires to be disclosed under section 1638(e)(1) of title 15 for such loan;

(ii) inform the prospective borrower that—

(I) the prospective borrower may qualify for loans or other assistance under subchapter IV; and

(II) the terms and conditions of loans made, insured, or guaranteed under subchapter IV may be more favorable than the provisions of private education loans; and

(iii) ensure that information regarding private education loans is presented in such a manner as to be distinct from information regarding loans that are made, insured, or guaranteed under subchapter IV.

(C) Informational materials

The informational materials described in this subparagraph are publications, mailings, or electronic messages or materials that—

(i) are distributed to prospective or current students of a covered institution and families of such students; and

(ii) describe or discuss the financial aid opportunities available to students at an institution of higher education.

(2) Use of institution name

A covered institution, or an institution-affiliated organization of such covered institution, that enters into a preferred lender arrangement with a lender regarding private education loans shall not agree to the lender's use of the name, emblem, mascot, or logo of such institution or organization, or other words, pictures, or symbols readily identified with such institution or organization, in the marketing of private education loans to students attending such institution in any way that implies that the loan is offered or made by such institution or organization instead of the lender.

(3) Use of lender name

A covered institution, or an institution-affiliated organization of such covered institution, that enters into a preferred lender arrangement with a lender regarding private education loans shall ensure that the name of the lender is displayed in all information and documentation related to such loans.

(b) Lender responsibilities

(1) Disclosures by lenders

(A) Disclosures to borrowers

(i) Federal education loans

For each education loan that is made, insured, or guaranteed under part B or D of subchapter IV (other than a loan made under section 1078-3 of this title or a Federal Direct Consolidation Loan), at or prior to the time the lender disburses such loan, the lender shall provide the prospective borrower or borrower, in writing (including through electronic means), with