

118TH CONGRESS
1ST SESSION

S. _____

To modify requirements relating to financial aid disclosures.

IN THE SENATE OF THE UNITED STATES

Mr. DAINES (for himself, Mr. CASSIDY, Mrs. BLACKBURN, and Mrs. CAPITO) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To modify requirements relating to financial aid disclosures.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Informed Student Bor-
5 rowing Act of 2023”.

6 **SEC. 2. ENTRANCE COUNSELING FINANCIAL AID DISCLO-**
7 **SURES.**

8 Section 485(l) of the Higher Education Act of 1965
9 (20 U.S.C. 1092(l)) is amended—

10 (1) in the subsection heading, by striking “EN-
11 TRANCE”;

1 (2) in paragraph (1)(A)—

2 (A) in the matter preceding clause (i), by
3 striking “a disbursement to a first-time bor-
4 rower” and inserting “the first disbursement to
5 a borrower in each award year”;

6 (B) in the matter preceding subclause (I)
7 of paragraph clause (ii), by striking “may” and
8 inserting “shall”;

9 (3) in paragraph (2)—

10 (A) by redesignating subparagraphs (A)
11 through (K) as subparagraphs (B) through (L);

12 (B) by inserting before subparagraph (B),
13 as so redesignated, the following:

14 “(A) An explanation that the borrower will
15 need to affirmatively determine and manually
16 enter, in accordance with subsection (n), the
17 Federal loan amount that the borrower will bor-
18 row (which may be equal to or less than the
19 Federal loan amount for which the borrower is
20 eligible) for each award year.”;

21 (C) by striking subparagraph (G) and in-
22 sserting the following:

23 “(G) Sample monthly repayment amounts,
24 under a standard repayment plan and under
25 the income-driven repayment plan that had the

1 highest enrollment in the previous year for bor-
2 rowers (excluding parent borrowers), based
3 on—

4 “(i)(I) the median levels of indebted-
5 ness, as appropriate, of—

6 “(aa) undergraduate borrowers of
7 Federal Direct Stafford Loans or
8 Federal Unsubsidized Stafford Loans
9 who were enrolled in the institution;

10 “(bb) graduate borrowers of Fed-
11 eral Direct Stafford Loans, Federal
12 Unsubsidized Stafford Loans, or Fed-
13 eral Direct Plus Loans who were en-
14 rolled in the institution; and

15 “(cc) parent borrowers of Federal
16 Direct Plus Loans made on behalf of
17 dependent students who were enrolled
18 at the institution;

19 “(II) the median cumulative indebted-
20 ness of borrowers of loans described in
21 subclause (I) in the same program as the
22 borrower at the same institution; and

23 “(ii) the median annual earnings for
24 individuals who attended the institution, as
25 described in subparagraph (N).”; and

1 (D) by adding at the end the following:

2 “(M) A statement that the borrower does
3 not have to accept the full amount of loans for
4 which the borrower is eligible, and an expla-
5 nation that loan eligibility calculations are de-
6 termined based on a cost of attendance that
7 may include expenses such as housing, food,
8 and transportation.

9 “(N) The most recent College Scorecard
10 information (or information from a similar suc-
11 cessor website) that shows the median annual
12 earnings of students who received Federal stu-
13 dent aid and who are no longer enrolled at the
14 institution and are working, at the time that is
15 10 years after the date of such students’ entry
16 to the institution—

17 “(i) for individuals who were enrolled
18 in the institution; and

19 “(ii) if available through the College
20 Scorecard (or similar successor website),
21 for individuals who were enrolled in the
22 borrower’s undergraduate or graduate pro-
23 gram.

24 “(O) The percentage of borrowers who at-
25 tended the institution and have completed or

1 are no longer enrolled that are in active repay-
2 ment (as compared to all borrowers who at-
3 tended the institution and have completed or
4 are no longer enrolled).

5 “(P) For undergraduate borrowers, the
6 completion rate of the institution, as available
7 through the College Scorecard (or similar suc-
8 cessor website), for the most recent year for
9 which data are available.

10 “(Q) A statement that—

11 “(i) the statistics provided under this
12 paragraph are averages and median values
13 based on past years;

14 “(ii) the borrower’s repayment
15 amounts, median earnings, and likelihood
16 of completion may vary from such statis-
17 tics; and

18 “(iii) as appropriate, parent borrowers
19 should be aware that information about
20 the median earnings, completion rate, and
21 percentage of borrowers in active repay-
22 ment is based on data that excludes parent
23 borrowers.

24 “(R) A statement in writing and in a form
25 the borrower may keep, of the annual percent-

1 age rate applicable to the loan based on a 10
2 year standard repayment plan, taking into ac-
3 count—

4 “(i) the amount of the loan;

5 “(ii) the stated interest rate of the
6 loan;

7 “(iii) the standard term for a loan of
8 the same type;

9 “(iv) any fees or additional costs asso-
10 ciated with the loan; and

11 “(v) any capitalization of interest on
12 the loan.”; and

13 (4) by adding at the end the following:

14 “(3) INFORMATION FROM THE DEPARTMENT OF
15 EDUCATION.—The Secretary shall provide institu-
16 tions with the data and statistics necessary to enable
17 institutions to carry out this subsection.”.

18 **SEC. 3. ANNUAL REQUIREMENT TO MANUALLY ENTER**
19 **LOAN AMOUNT.**

20 Section 485 of the Higher Education Act of 1965 (20
21 U.S.C. 1092), as amended by section 2, is further amend-
22 ed by adding at the end the following:

23 “(n) ANNUAL REQUIREMENT TO MANUALLY ENTER
24 LOAN AMOUNT.—

1 “(1) IN GENERAL.—In addition to the other re-
2 quirements of this section and in accordance with
3 paragraph (2), each eligible institution shall ensure
4 that, for each award year, each borrower enrolled in
5 the institution who receives a Federal Direct Loan
6 (other than a Federal Direct Consolidation Loan)
7 and each parent borrower who is borrowing a Fed-
8 eral Direct PLUS Loan made on behalf of a student
9 who is enrolled in the institution, for such year, shall
10 manually enter, either in writing or through elec-
11 tronic means, the exact dollar amount of Federal Di-
12 rect Loan funding that such borrower desires to bor-
13 row for such year.

14 “(2) METHOD.—The eligible institution shall
15 ensure that the borrower carries out the activity de-
16 scribed in paragraph (1)—

17 “(A) in the case of a student borrower, in
18 the course of the process used by the institution
19 for students to accept a student loan award;

20 “(B) prior to the institution certifying a
21 Federal Direct Loan (other than a Federal Di-
22 rect Consolidation Loan), including a Federal
23 Direct PLUS Loan made on behalf of a stu-
24 dent, for disbursement to a borrower; and

1 “(C) in the case of a student borrower,
2 after ensuring that the student has completed
3 all of the counseling requirements under sub-
4 section (l).”.

5 **SEC. 4. WORK STUDY.**

6 Section 485 of the Higher Education Act of 1965 (20
7 U.S.C. 1092), as amended by sections 2 and 3, is further
8 amended by adding at the end the following:

9 “(n) WORK STUDY.—If an institution provides a stu-
10 dent or a prospective student with a financial aid award
11 notification that includes work study, the institution shall
12 ensure that the notification includes an explanation that
13 any work study funds are not directly awarded to the stu-
14 dent or institution, and such amounts must be earned
15 through the student’s completion of work over time.”.