



(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To modify requirements relating to financial aid disclosures.

IN THE HOUSE OF REPRESENTATIVES

Mr. GROTHMAN introduced the following bill; which was 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—

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

3 (2) in paragraph (1)(A)—

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

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

11 (3) in paragraph (2)—

12 (A) by redesignating subparagraphs (A)
13 through (K) as subparagraphs (B) through (L);

14 (B) by inserting before subparagraph (B),
15 as so redesignated, the following:

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

23 (C) by striking subparagraph (G) and in-
24 serting the following:

1 “(G) Sample monthly repayment amounts,
2 under a standard repayment plan and under
3 the income-driven repayment plan that had the
4 highest enrollment in the previous year for bor-
5 rowers (excluding parent borrowers), based
6 on—

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

9 “(aa) undergraduate borrowers of
10 Federal Direct Stafford Loans or
11 Federal Unsubsidized Stafford Loans
12 who were enrolled in the institution;

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

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

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

1 “(ii) the median annual earnings for
2 individuals who attended the institution, as
3 described in subparagraph (N).”; and
4 (D) by adding at the end the following:

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

12 “(N) The most recent College Scorecard
13 information (or information from a similar suc-
14 cessor website) that shows the median annual
15 earnings of students who received Federal stu-
16 dent aid and who are no longer enrolled at the
17 institution and are working, at the time that is
18 10 years after the date of such students’ entry
19 to the institution—

20 “(i) for individuals who were enrolled
21 in the institution; and

22 “(ii) if available through the College
23 Scorecard (or similar successor website),
24 for individuals who were enrolled in the

1 borrower's undergraduate or graduate pro-
2 gram.

3 “(O) The percentage of borrowers who at-
4 tended the institution and have completed or
5 are no longer enrolled that are in active repay-
6 ment (as compared to all borrowers who at-
7 tended the institution and have completed or
8 are no longer enrolled).

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

14 “(Q) A statement that—

15 “(i) the statistics provided under this
16 paragraph are averages and median values
17 based on past years;

18 “(ii) the borrower's repayment
19 amounts, median earnings, and likelihood
20 of completion may vary from such statis-
21 tics; and

22 “(iii) as appropriate, parent borrowers
23 should be aware that information about
24 the median earnings, completion rate, and
25 percentage of borrowers in active repay-

1 ment is based on data that excludes parent
2 borrowers.

3 “(R) A statement in writing and in a form
4 the borrower may keep, of the annual percent-
5 age rate applicable to the loan based on a 10
6 year standard repayment plan, taking into ac-
7 count—

8 “(i) the amount of the loan;

9 “(ii) the stated interest rate of the
10 loan;

11 “(iii) the standard term for a loan of
12 the same type;

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

15 “(v) any capitalization of interest on
16 the loan.”; and

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

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

1 **SEC. 3. ANNUAL REQUIREMENT TO MANUALLY ENTER**
2 **LOAN AMOUNT.**

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

6 “(n) ANNUAL REQUIREMENT TO MANUALLY ENTER
7 LOAN AMOUNT.—

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

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

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

1 “(B) prior to the institution certifying a
2 Federal Direct Loan (other than a Federal Di-
3 rect Consolidation Loan), including a Federal
4 Direct PLUS Loan made on behalf of a stu-
5 dent, for disbursement to a borrower; and

6 “(C) in the case of a student borrower,
7 after ensuring that the student has completed
8 all of the counseling requirements under sub-
9 section (l).”.

10 **SEC. 4. WORK STUDY.**

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

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