

# HOUSE BILL 509

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7lr0708  
CF SB 429

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By: **Delegates Hettleman, Barron, Jones, Korman, Lierman, McIntosh, Rosenberg,  
Stein, M. Washington, and P. Young**

Introduced and read first time: January 27, 2017

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education – Student Loan Notification Letter**

3 FOR the purpose of requiring institutions of higher education that receive State funds to  
4 provide certain information to students regarding their education loans; requiring  
5 the education loan information to be provided annually, concurrent with the  
6 student’s first tuition bill of a calendar year; authorizing students to choose the  
7 delivery method for education loan information; providing that the information shall  
8 include certain assumptions and may include certain statements; prohibiting an  
9 institution of higher education from incurring a certain liability; defining a certain  
10 term; and generally relating to notification of education loans to students by  
11 institutions of higher education.

12 BY adding to  
13 Article – Education  
14 Section 18–115  
15 Annotated Code of Maryland  
16 (2014 Replacement Volume and 2016 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
18 That the Laws of Maryland read as follows:

19 **Article – Education**

20 **18–115.**

21 **(A) IN THIS SECTION, “EDUCATION LOAN” MEANS A DIRECT LOAN OR LOAN**  
22 **INSURED OR GUARANTEED UNDER A FEDERAL OR PRIVATE PROGRAM THAT IS MADE**  
23 **TO ASSIST A STUDENT IN OBTAINING A POSTSECONDARY EDUCATION.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(B) THIS SECTION APPLIES ONLY TO AN INSTITUTION OF HIGHER**  
2 **EDUCATION THAT RECEIVES FUNDING FROM THE STATE.**

3           **(C) AN INSTITUTION OF HIGHER EDUCATION THAT RECEIVES EDUCATION**  
4 **LOAN INFORMATION FOR A STUDENT ENROLLED IN THE INSTITUTION SHALL**  
5 **PROVIDE TO THE STUDENT:**

6                   **(1) AN ESTIMATE OF THE TOTAL AMOUNT OF EDUCATION LOANS**  
7 **TAKEN OUT BY THE STUDENT;**

8                   **(2) AN ESTIMATE OF:**

9                           **(i) THE POTENTIAL TOTAL PAYOFF AMOUNT OF THE**  
10 **EDUCATION LOANS INCURRED OR A RANGE OF THE TOTAL PAYOFF AMOUNT; AND**

11                           **(ii) MONTHLY REPAYMENT AMOUNTS THAT A SIMILARLY**  
12 **SITUATED BORROWER MAY INCUR, INCLUDING PRINCIPAL AND INTEREST, FOR THE**  
13 **AMOUNT OF LOANS THE STUDENT HAS TAKEN OUT AT THE TIME THE INFORMATION**  
14 **IS PROVIDED;**

15                   **(3) THE PERCENTAGE OF THE BORROWING LIMIT THE STUDENT HAS**  
16 **REACHED AT THE TIME THE INFORMATION IS PROVIDED; AND**

17                   **(4) THE ADDRESS OF THE FINANCIAL AID OFFICE WHERE THE**  
18 **STUDENT MAY SEEK FINANCIAL AID COUNSELING.**

19           **(D) (1) AN INSTITUTION OF HIGHER EDUCATION SHALL PROVIDE THE**  
20 **INFORMATION REQUIRED UNDER SUBSECTION (C) OF THIS SECTION TO STUDENTS**  
21 **ANNUALLY, CONCURRENT WITH THE STUDENT'S FIRST TUITION BILL OF A**  
22 **CALENDAR YEAR.**

23                   **(2) THE STUDENT SHALL BE ABLE TO CHOOSE FROM EITHER E-MAIL**  
24 **OR U.S. MAIL AS THE DELIVERY METHOD FOR INFORMATION REQUIRED UNDER**  
25 **SUBSECTION (C) OF THIS SECTION.**

26           **(E) THE INFORMATION PROVIDED UNDER THIS SECTION:**

27                   **(1) SHALL CLEARLY STATE ANY ASSUMPTIONS MADE IN**  
28 **CALCULATIONS TO DEVISE ESTIMATES; AND**

29                   **(2) MAY INCLUDE A STATEMENT THAT THE ESTIMATES AND RANGES**  
30 **PROVIDED ARE GENERAL IN NATURE AND NOT MEANT AS A GUARANTEE OR**  
31 **PROMISE.**

1           **(F) AN INSTITUTION OF HIGHER EDUCATION DOES NOT INCUR LIABILITY**  
2 **FOR ANY REPRESENTATIONS MADE UNDER THIS SECTION.**

3           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
4 1, 2017.