

SENATE BILL 429

F2

(7lr2232)

ENROLLED BILL

— Education, Health, and Environmental Affairs/Appropriations —

Introduced by **Senators Klausmeier, Benson, Cassilly, Eckardt, Madaleno, Muse, Ready, Rosapepe, Salling, Smith, and Young**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

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; providing that certain information may be included~~
9 ~~in~~ with a certain notice; providing that certain information may include a certain
10 ~~statements~~ statement; prohibiting an institution of higher education from incurring
11 a certain liability, under certain circumstances; defining a certain term; providing
12 for a delayed effective date; and generally relating to notification of education loans
13 to students by institutions of higher education.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 BY adding to
 2 Article – Education
 3 Section 18–115
 4 Annotated Code of Maryland
 5 (2014 Replacement Volume and 2016 Supplement)

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

8 **Article – Education**

9 **18–115.**

10 (A) (1) IN THIS SECTION, “EDUCATION LOAN” MEANS A DIRECT LOAN OR
 11 LOAN INSURED OR GUARANTEED UNDER A FEDERAL OR PRIVATE PROGRAM
 12 ADMINISTERED BY THE U.S. DEPARTMENT OF EDUCATION THAT IS MADE TO ASSIST
 13 A STUDENT IN OBTAINING A POSTSECONDARY EDUCATION.

14 (2) “EDUCATION LOAN” DOES NOT INCLUDE A PARENT PLUS LOAN
 15 OR A PRIVATE STUDENT LOAN.

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

18 (C) AN INSTITUTION OF HIGHER EDUCATION THAT RECEIVES EDUCATION
 19 LOAN INFORMATION ~~FOR A STUDENT ENROLLED IN THE INSTITUTION~~ FROM THE
 20 U.S. DEPARTMENT OF EDUCATION SHALL PROVIDE TO THE STUDENT:

21 ~~(1) AN ESTIMATE OF THE TOTAL AMOUNT OF EDUCATION LOANS~~
 22 ~~TAKEN OUT BY THE STUDENT;~~

23 ~~(2) AN ESTIMATE OF:~~

24 ~~(i) THE POTENTIAL TOTAL PAYOFF AMOUNT OF THE~~
 25 ~~EDUCATION LOANS INCURRED OR A RANGE OF THE TOTAL PAYOFF AMOUNT; AND~~

26 ~~(ii) MONTHLY REPAYMENT AMOUNTS THAT A SIMILARLY~~
 27 ~~SITUATED BORROWER MAY INCUR, INCLUDING PRINCIPAL AND INTEREST, FOR THE~~
 28 ~~AMOUNT OF LOANS THE STUDENT HAS TAKEN OUT AT THE TIME THE INFORMATION~~
 29 ~~IS PROVIDED;~~

30 ~~(3) THE PERCENTAGE OF THE BORROWING LIMIT THE STUDENT HAS~~
 31 ~~REACHED AT THE TIME THE INFORMATION IS PROVIDED; AND EACH~~
 32 UNDERGRADUATE STUDENT ENROLLED IN THE INSTITUTION WHO APPLIES FOR
 33 FEDERAL STUDENT AID IN THE APPLICABLE AWARD YEAR:

1 **(1) THE INFORMATION REPORTED ON THE STUDENT'S STUDENT AID**
2 **REPORT ISSUED BY THE U.S. DEPARTMENT OF EDUCATION FROM THE MOST**
3 **RECENT AWARD YEAR, INCLUDING:**

4 **(I) THE TOTAL AMOUNT OF OUTSTANDING LOANS; AND**

5 **(II) THE MONTHLY PAYMENT AMOUNT FOR A 10-YEAR PERIOD**
6 **FOR EVERY \$1,000 OWED BY THE BORROWER;**

7 **(2) THE LIFETIME LOAN LIMIT FOR UNDERGRADUATE STUDENT**
8 **BORROWERS;**

9 **(3) A STATEMENT THAT THE ACTUAL REPAYMENT AMOUNT IS**
10 **DEPENDENT ON THE FOLLOWING FACTORS:**

11 **(I) THE TOTAL AMOUNT A STUDENT BORROWS;**

12 **(II) THE INTEREST RATE AT THE TIME THE FUNDS ARE**
13 **BORROWED AND THE AMOUNT OF INTEREST THAT ACCRUES OVER THE COURSE OF**
14 **THE LOAN;**

15 **(III) THE LENGTH OF THE REPAYMENT TERM OF THE LOAN; AND**

16 **(IV) THE DECISIONS A STUDENT MAKES RELATING TO:**

17 **1. INCOME-BASED REPAYMENT PLANS;**

18 **2. DEFERMENTS; AND**

19 **3. LOAN FORGIVENESS;**

20 **(4) A LINK TO THE NATIONAL STUDENT LOAN DATA SYSTEM FOR**
21 **STUDENTS WEB SITE AND AN INCOME-DRIVEN REPAYMENT PLAN WEB SITE; AND**

22 ~~(4)~~ **(5) THE ADDRESS OF THE FINANCIAL AID OFFICE WHERE THE**
23 **STUDENT MAY SEEK FINANCIAL AID COUNSELING.**

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

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

~~(E) THE INFORMATION PROVIDED UNDER THIS SECTION:~~

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

~~(2) MAY INCLUDE A STATEMENT THAT THE ESTIMATES AND RANGES PROVIDED ARE GENERAL IN NATURE AND ON RECEIPT OF A STUDENT'S FREE APPLICATION FOR FEDERAL STUDENT AID.~~

~~(2) THE INFORMATION REQUIRED UNDER SUBSECTION (C) OF THIS SECTION MAY BE INCLUDED WITH THE STUDENT'S FINANCIAL AID AWARD NOTICE.~~

(E) THE INFORMATION PROVIDED UNDER THIS SECTION MAY INCLUDE THE FOLLOWING STATEMENT:

“THE INFORMATION PROVIDED BY THE INSTITUTION OF HIGHER EDUCATION WAS OBTAINED FROM YOUR STUDENT AID REPORT ISSUED BY THE U.S. DEPARTMENT OF EDUCATION FOR THE MOST RECENT AWARD YEAR. IT IS BASED ON ASSUMPTIONS MADE BY THE U.S. DEPARTMENT OF EDUCATION AS REPORTED IN YOUR STUDENT AID REPORT AND IS NOT MEANT AS A GUARANTEE OR PROMISE. THIS INFORMATION DOES NOT INCLUDE PARENT PLUS LOANS OR PRIVATE STUDENT LOANS.”

(F) ~~AN~~ IF AN INSTITUTION OF HIGHER EDUCATION INCLUDES THE STATEMENT UNDER SUBSECTION (E) OF THIS SECTION WITH THE INFORMATION REQUIRED UNDER SUBSECTION (C) OF THIS SECTION, THE INSTITUTION OF HIGHER EDUCATION DOES NOT INCUR LIABILITY FOR ANY INACCURATE REPRESENTATIONS MADE UNDER THIS SECTION IF THE REPRESENTATIONS WERE:

(1) MADE BASED ON INCORRECT INFORMATION PROVIDED BY THE U.S. DEPARTMENT OF EDUCATION; AND

(2) REASONABLY RELIED ON IN GOOD FAITH BY THE INSTITUTION OF HIGHER EDUCATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, ~~2017~~ 2018.