

SENATE BILL 69

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(PRE-FILED)

8lr0978
CF HB 17

By: **Senator Klausmeier**

Requested: October 26, 2017

Introduced and read first time: January 10, 2018

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable

Senate action: Adopted

Read second time: January 19, 2018

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of requiring certain institutions of postsecondary education to provide
4 certain information annually with a certain notice to students regarding their
5 education loans; altering a certain statement; prohibiting certain institutions of
6 postsecondary education from incurring a certain liability under certain
7 circumstances; providing for a delayed effective date; and generally relating to
8 notification of education loans to students by institutions of postsecondary education.

9 BY repealing and reenacting, without amendments,
10 Article – Education
11 Section 10–101(i)
12 Annotated Code of Maryland
13 (2014 Replacement Volume and 2017 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Education
16 Section 18–115
17 Annotated Code of Maryland
18 (2014 Replacement Volume and 2017 Supplement)
19 (As enacted by Chapter 658 of the Acts of the General Assembly of 2017)

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

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.



Article – Education

1

2 10–101.

3 (i) (1) “Institution of postsecondary education” means a school or other
4 institution that offers an educational program in the State for individuals who are at least
5 16 years old and who have graduated from or left elementary or secondary school.

6 (2) “Institution of postsecondary education” does not include:

7 (i) Any adult education, evening high school, or high school
8 equivalence program conducted by a public school system of the State; or

9 (ii) Any apprenticeship or on–the–job training program subject to
10 approval by the Apprenticeship and Training Council.

11 18–115.

12 (a) (1) In this section, “education loan” means a direct loan administered by
13 the U.S. Department of Education that is made to assist a student in obtaining a
14 postsecondary education.

15 (2) “Education loan” does not include a Parent Plus loan or a private
16 student loan.

17 [(b) This section applies only to an institution of higher education that receives
18 funding from the State.]

19 [(c)] (B) An institution of [higher] **POSTSECONDARY** education that receives
20 education loan information from the U.S. Department of Education shall provide to each
21 undergraduate student enrolled in the institution who applies for federal student aid in the
22 applicable award year:

23 (1) The information reported on the student’s Student Aid Report issued
24 by the U.S. Department of Education from the most recent award year, including:

25 (i) The total amount of outstanding loans; and

26 (ii) The monthly payment amount for a 10–year period for every
27 \$1,000 owed by the borrower;

28 (2) The lifetime loan limit for undergraduate student borrowers;

29 (3) A statement that the actual repayment amount is dependent on the
30 following factors:

- 1 (i) The total amount a student borrows;
- 2 (ii) The interest rate at the time the funds are borrowed and the
3 amount of interest that accrues over the course of the loan;
- 4 (iii) The length of the repayment term of the loan; and
- 5 (iv) The decisions a student makes relating to:
- 6 1. Income-based repayment plans;
- 7 2. Deferments; and
- 8 3. Loan forgiveness;
- 9 (4) A link to the National Student Loan Data System for Students Web site
10 and an income-driven repayment plan Web site; and
- 11 (5) The address of the financial aid office where the student may seek
12 financial aid counseling.

13 **[(d)] (C)** An institution of **[higher] POSTSECONDARY** education shall provide
14 the information required under subsection **[(c)] (B)** of this section to students annually with
15 the student's financial aid award notice.

16 **[(e)] (D)** The information provided under this section may include the following
17 statement:

18 "The information provided by the institution of **[higher] POSTSECONDARY**
19 education was obtained from your Student Aid Report issued by the U.S. Department of
20 Education for the most recent award year. It is based on assumptions made by the U.S.
21 Department of Education as reported in your Student Aid Report and is not meant as a
22 guarantee or promise. This information does not include Parent Plus loans or private
23 student loans."

24 **[(f)] (E)** If an institution of **[higher] POSTSECONDARY** education includes the
25 statement under subsection **[(e)] (D)** of this section with the information required under
26 subsection **[(c)] (B)** of this section, the institution of **[higher] POSTSECONDARY** education
27 does not incur liability for any inaccurate representations made under this section if the
28 representations were:

29 (1) Made based on incorrect information provided by the U.S. Department
30 of Education; and

31 (2) Reasonably relied on in good faith by the institution of **[higher]**
32 **POSTSECONDARY** education.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2019.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.