

# SENATE BILL 69

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(PRE-FILED)

8lr0978  
CF HB 17

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By: **Senator Klausmeier**

Requested: October 26, 2017

Introduced and read first time: January 10, 2018

Assigned to: Education, Health, and Environmental Affairs

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## A BILL ENTITLED

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:

22 **Article – Education**

23 10–101.

24 (i) (1) “Institution of postsecondary education” means a school or other

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 institution that offers an educational program in the State for individuals who are at least  
2 16 years old and who have graduated from or left elementary or secondary school.

3 (2) "Institution of postsecondary education" does not include:

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

6 (ii) Any apprenticeship or on-the-job training program subject to  
7 approval by the Apprenticeship and Training Council.

8 18–115.

9 (a) (1) In this section, "education loan" means a direct loan administered by  
10 the U.S. Department of Education that is made to assist a student in obtaining a  
11 postsecondary education.

12 (2) "Education loan" does not include a Parent Plus loan or a private  
13 student loan.

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

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

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

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

23 (ii) The monthly payment amount for a 10-year period for every  
24 \$1,000 owed by the borrower;

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

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

28 (i) The total amount a student borrows;

29 (ii) The interest rate at the time the funds are borrowed and the  
30 amount of interest that accrues over the course of the loan;

31 (iii) The length of the repayment term of the loan; and

1 (iv) The decisions a student makes relating to:

2 1. Income-based repayment plans;

3 2. Deferments; and

4 3. Loan forgiveness;

5 (4) A link to the National Student Loan Data System for Students Web site  
6 and an income-driven repayment plan Web site; and

7 (5) The address of the financial aid office where the student may seek  
8 financial aid counseling.

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

12 [(e)] (D) The information provided under this section may include the following  
13 statement:

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

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

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

27 (2) Reasonably relied on in good faith by the institution of [higher]  
28 POSTSECONDARY education.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
30 1, 2019.