

118TH CONGRESS  
1ST SESSION

# H. R. 4616

To modify requirements relating to financial aid disclosures.

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IN THE HOUSE OF REPRESENTATIVES

JULY 13, 2023

Mr. GROTHMAN introduced the following bill; which was referred to the  
Committee on Education and the Workforce

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## 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—

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

12           (2) in paragraph (1)(A)—

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

5 (B) in the matter preceding subclause (I)  
6 of paragraph clause (ii), by striking “may” and  
7 inserting “shall”;

8 (3) in paragraph (2)—

9 (A) by redesignating subparagraphs (A)  
10 through (K) as subparagraphs (B) through (L);

11 (B) by inserting before subparagraph (B),  
12 as so redesignated, the following:

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

20 (C) by striking subparagraph (G) and in-  
21 serting the following:

22 “(G) Sample monthly repayment amounts,  
23 under a standard repayment plan and under  
24 the income-driven repayment plan that had the  
25 highest enrollment in the previous year for bor-

1           rowers (excluding parent borrowers), based  
2           on—

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

5                           “(aa) undergraduate borrowers of  
6                           Federal Direct Stafford Loans or  
7                           Federal Unsubsidized Stafford Loans  
8                           who were enrolled in the institution;

9                           “(bb) graduate borrowers of Fed-  
10                          eral Direct Stafford Loans, Federal  
11                          Unsubsidized Stafford Loans, or Fed-  
12                          eral Direct Plus Loans who were en-  
13                          rolled in the institution; and

14                          “(cc) parent borrowers of Federal  
15                          Direct Plus Loans made on behalf of  
16                          dependent students who were enrolled  
17                          at the institution;

18                          “(II) the median cumulative indebted-  
19                          ness of borrowers of loans described in  
20                          subclause (I) in the same program as the  
21                          borrower at the same institution; and

22                          “(ii) the median annual earnings for  
23                          individuals who attended the institution, as  
24                          described in subparagraph (N).”; and

25                          (D) by adding at the end the following:

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

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

16                   “(i) for individuals who were enrolled  
17 in the institution; and

18                   “(ii) if available through the College  
19 Scorecard (or similar successor website),  
20 for individuals who were enrolled in the  
21 borrower’s undergraduate or graduate pro-  
22 gram.

23           “(O) The percentage of borrowers who at-  
24 tended the institution and have completed or  
25 are no longer enrolled that are in active repay-

1           ment (as compared to all borrowers who at-  
2           tended the institution and have completed or  
3           are no longer enrolled).

4           “(P) For undergraduate borrowers, the  
5           completion rate of the institution, as available  
6           through the College Scorecard (or similar suc-  
7           cessor website), for the most recent year for  
8           which data are available.

9           “(Q) A statement that—

10           “(i) the statistics provided under this  
11           paragraph are averages and median values  
12           based on past years;

13           “(ii) the borrower’s repayment  
14           amounts, median earnings, and likelihood  
15           of completion may vary from such statis-  
16           tics; and

17           “(iii) as appropriate, parent borrowers  
18           should be aware that information about  
19           the median earnings, completion rate, and  
20           percentage of borrowers in active repay-  
21           ment is based on data that excludes parent  
22           borrowers.

23           “(R) A statement in writing and in a form  
24           the borrower may keep, of the annual percent-  
25           age rate applicable to the loan based on a 10

1 year standard repayment plan, taking into ac-  
 2 count—

3 “(i) the amount of the loan;

4 “(ii) the stated interest rate of the  
 5 loan;

6 “(iii) the standard term for a loan of  
 7 the same type;

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

10 “(v) any capitalization of interest on  
 11 the loan.”; and

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

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

17 **SEC. 3. ANNUAL REQUIREMENT TO MANUALLY ENTER**  
 18 **LOAN AMOUNT.**

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

22 “(n) ANNUAL REQUIREMENT TO MANUALLY ENTER  
 23 LOAN AMOUNT.—

24 “(1) IN GENERAL.—In addition to the other re-  
 25 quirements of this section and in accordance with

1 paragraph (2), each eligible institution shall ensure  
2 that, for each award year, each borrower enrolled in  
3 the institution who receives a Federal Direct Loan  
4 (other than a Federal Direct Consolidation Loan)  
5 and each parent borrower who is borrowing a Fed-  
6 eral Direct PLUS Loan made on behalf of a student  
7 who is enrolled in the institution, for such year, shall  
8 manually enter, either in writing or through elec-  
9 tronic means, the exact dollar amount of Federal Di-  
10 rect Loan funding that such borrower desires to bor-  
11 row for such year.

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

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

18 “(B) prior to the institution certifying a  
19 Federal Direct Loan (other than a Federal Di-  
20 rect Consolidation Loan), including a Federal  
21 Direct PLUS Loan made on behalf of a stu-  
22 dent, for disbursement to a borrower; and

23 “(C) in the case of a student borrower,  
24 after ensuring that the student has completed

1 all of the counseling requirements under sub-  
2 section (l).”.

3 **SEC. 4. WORK STUDY.**

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

7 “(n) WORK STUDY.—If an institution provides a stu-  
8 dent or a prospective student with a financial aid award  
9 notification that includes work study, the institution shall  
10 ensure that the notification includes an explanation that  
11 any work study funds are not directly awarded to the stu-  
12 dent or institution, and such amounts must be earned  
13 through the student’s completion of work over time.”.

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