

114TH CONGRESS  
2D SESSION

# S. 3399

To amend the Higher Education Act of 1965 to require the disclosure of the annual percentage rates applicable to Federal student loans.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27, 2016

Mr. KIRK (for himself and Mr. ENZI) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To amend the Higher Education Act of 1965 to require the disclosure of the annual percentage rates applicable to Federal student loans.

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 “Transparency in Stu-  
5 dent Lending Act”.

6 **SEC. 2. REQUIRED DISCLOSURES.**

7 Section 455(p) of the Higher Education Act of 1965  
8 (20 U.S.C. 1087e(p)) is amended—

1           (1) by striking “Each institution” and inserting  
2 the following:

3           “(1) IN GENERAL.—Each institution”; and

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

5           “(2) DISCLOSURE OF APR PRIOR TO DISBURSE-  
6 MENT.—In addition to the disclosures required  
7 under paragraph (1), each institution and contractor  
8 described in such paragraph shall disclose to a bor-  
9 rower before disbursement of a loan made under this  
10 part, in writing and in a form the borrower may  
11 keep, the annual percentage rate applicable to the  
12 loan, taking into account—

13                   “(A) the amount of the loan;

14                   “(B) the stated interest rate of the loan;

15                   “(C) the standard term for a loan of the  
16 same type;

17                   “(D) any fees or additional costs associ-  
18 ated with the loan; and

19                   “(E) any capitalization of interest on the  
20 loan.”.

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