

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE
OFFERED BY MR. Smucker**

Strike subsection (k) of section 483 of the Higher Education Act of 1965 (20 U.S.C. 1090), as proposed to be added by section 4603, and insert the following:

1 “(k) FINANCIAL AID OFFERS.—

2 “(1) REQUIREMENTS FOR OFFERS.—

3 “(A) SECRETARIAL REQUIREMENTS.—Not
4 later than 18 months after the date of enact-
5 ment of the College Affordability Act, the Sec-
6 retary shall, based on the consumer testing con-
7 ducted under subparagraph (E), publish re-
8 quirements for financial aid offers that shall—

9 “(i) include a requirement that finan-
10 cial aid offers shall serve as the primary
11 source for Federal, State, and institutional
12 financial aid information provided by an
13 institution of higher education partici-
14 pating in any program under this title to
15 each prospective student accepted for ad-
16 mission and each enrolled student at such
17 institution;

1 “(ii) include a requirement that such
2 offers include a standardized quick ref-
3 erence box described in subparagraph (D);

4 “(iii) establish standardized terms and
5 definitions, including for the elements list-
6 ed in subparagraph (C), that shall be in-
7 cluded in each such offer;

8 “(iv) establish formatting require-
9 ments with respect to the organization of
10 the elements listed in subparagraph (C),
11 which shall include, at a minimum, a re-
12 quirement that prohibits such offers from
13 displaying loans in a manner that indicates
14 or implies that such loans reduce the
15 amount owed to the institution or reduce
16 the net price; and

17 “(v) specify the simple, plain-lan-
18 guage, and consumer-friendly information
19 to be included in each such offer with re-
20 spect to the financial aid being offered to
21 a student, which shall include—

22 “(I) an explanation of differences
23 among each such type of financial aid,
24 including clear explanations that—

1 “(aa) grants and scholar-
2 ships do not have to be repaid;

3 “(bb) loans (including loans
4 made under part D and private
5 education loans (as defined in
6 section 140 of the Truth in
7 Lending Act)) must be repaid
8 with interest; and

9 “(cc) payments under Fed-
10 eral work-study programs under
11 part C are contingent on finding
12 qualified employment and are
13 typically disbursed incrementally
14 in paychecks;

15 “(II) information clarifying that
16 students may—

17 “(aa) decline to accept a
18 loan made under part D; or

19 “(bb) accept an amount of
20 such loan that is less than the
21 amount of such loan included in
22 the financial aid offer; and

23 “(III) in a case in which the in-
24 stitution offers a student such a loan
25 in an amount that is less than the

1 maximum amount for which the stu-
2 dent is eligible, an explanation that
3 the student is eligible for additional
4 loans under part D.

5 “(B) INSTITUTIONAL REQUIREMENTS.—
6 Beginning with the award year that begins not
7 less than 1 year after the Secretary publishes
8 requirements under subparagraph (A), each in-
9 stitution of higher education described in sub-
10 paragraph (A)(i) shall provide a financial aid
11 offer to each student described in such subpara-
12 graph prior to each academic year that—

13 “(i) shall comply with the require-
14 ments published by the Secretary under
15 subparagraph (A); and

16 “(ii) may be supplemented by the in-
17 stitution with additional, non-contradictory
18 information related to financial aid as long
19 as such supplementary information uses
20 the standardized terms and definitions de-
21 scribed in subparagraph (A)(iii).

22 “(C) ELEMENTS.—A financial aid offer
23 provided by an institution of higher education
24 shall include the following elements with respect

1 to the academic year for which the offer is
2 being provided:

3 “(i) The cost of attendance, which
4 shall include separately calculated sub-
5 totals of—

6 “(I) an itemized list of estimated
7 direct costs owed to the institution;
8 and

9 “(II) an itemized list of antici-
10 pated student expenses not covered
11 under subclause (I).

12 “(ii) Federal, State, and institutional
13 financial aid available to the student,
14 which shall include separately calculated
15 subtotals of—

16 “(I) grants and scholarships;

17 “(II) loans made under part D
18 (excluding Federal Direct Parent
19 PLUS Loans); and

20 “(III) Federal work-study pro-
21 grams under part C and other on-
22 campus employment.

23 “(iii) Other options that may be avail-
24 able to students to cover the cost of at-
25 tendance (including Federal Direct Parent

1 PLUS Loans, tuition payment plans, sav-
2 ings, and earnings from other employ-
3 ment).

4 “(iv) The net price, which shall be de-
5 termined by calculating the difference be-
6 tween—

7 “(I) the cost of attendance de-
8 scribed in clause (i); and

9 “(II) the grants and scholarships
10 described in clause (ii)(I).

11 “(v) Next step instructions, includ-
12 ing—

13 “(I) the process and deadlines for
14 accepting the financial aid; and

15 “(II) information about where to
16 find additional information on the fi-
17 nancial aid offered.

18 “(vi) Any other information deter-
19 mined necessary by the Secretary based on
20 the consumer testing conducted under sub-
21 paragraph (E), which may include the fol-
22 lowing:

23 “(I) An estimate of the net direct
24 cost, which shall be determined by cal-
25 culating the difference between—

1 “(aa) the direct costs owed
2 to the institution described in
3 clause (i)(I); and

4 “(bb) the grants and schol-
5 arships described in clause (ii)(I).

6 “(II) Information on average stu-
7 dent debt, loan repayment and default
8 rates, loan repayment options, and
9 graduation rates.

10 “(III) In the case of a prospec-
11 tive student, the process and deadlines
12 for enrolling at the institution.

13 “(IV) Information regarding the
14 enrollment period covered by the aid
15 offer, and whether the cost and aid
16 estimates are based on full-time or
17 part-time enrollment.

18 “(D) STANDARDIZED QUICK REFERENCE
19 BOX.—A financial aid offer provided by an in-
20 stitution of higher education shall include a
21 standardized quick reference box to enable stu-
22 dents to quickly and easily compare key infor-
23 mation on college costs and financial aid—

24 “(i) that shall be included in an iden-
25 tical fashion for each student receiving a

1 financial aid offer from the institution on
2 the first page of such offer;

3 “(ii) the contents and structure of
4 which shall be developed through consumer
5 testing conducted under paragraph (E);
6 and

7 “(iii) shall include three data ele-
8 ments:

9 “(I) Cost of attendance.

10 “(II) Total grants and scholar-
11 ships offered.

12 “(III) Net price.

13 “(E) CONSUMER TESTING.—The Secretary
14 shall—

15 “(i) conduct consumer testing that
16 shall serve as the basis in determining the
17 requirements for financial aid offers pub-
18 lished under subparagraph (A), which shall
19 include students (including low-income stu-
20 dents, English learners, first generation
21 college students, veteran students, grad-
22 uate students, and undergraduate students
23 (including prospective students and return-
24 ing students)), students’ families (includ-
25 ing low-income families, families of English

1 learners, and families with first generation
2 college students), institutions of higher
3 education (including representatives from
4 two- and four-year institutions, public and
5 private institutions, and minority-serving
6 institutions), secondary school and postsec-
7 ondary counselors, financial aid adminis-
8 trators, nonprofit college access organiza-
9 tions, and nonprofit consumer groups; and

10 “(ii) not later than 60 days after the
11 publication of the requirements under sub-
12 paragraph (A)—

13 “(I) issue a report on the find-
14 ings of the consumer testing under
15 this subparagraph; and

16 “(II) specify ways in which the
17 findings are reflected in such require-
18 ments.

19 “(2) DEFINITIONS.—In this subsection—

20 “(A) the term ‘cost of attendance’ has the
21 meaning given the term in section 472;

22 “(B) the term ‘English learner’ has the
23 meaning given the term in section 8101(20) of
24 the Elementary and Secondary Education Act
25 of 1965 (20 U.S.C. 7801(20)), except that such

1 term does not include individuals described in
2 subparagraph (B) of such section;

3 “(C) the term ‘first generation college stu-
4 dent’ has the meaning given the term in section
5 402A(h);

6 “(D) the term ‘low-income student’ has the
7 meaning given the term in section 419N(b)(7);
8 and

9 “(E) the term ‘minority-serving institution’
10 means an institution of higher education de-
11 scribed in section 371(a).”.

