

117TH CONGRESS  
1ST SESSION

# H. R. 2090

To improve Federal student loan disclosures, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2021

Ms. HERRERA BEUTLER (for herself, Ms. SPANBERGER, Mr. GAETZ, Mr. JOHNSON of Ohio, Ms. BROWNLEY, Mr. WALTZ, Ms. CRAIG, Miss GONZÁLEZ-COLÓN, Mr. STANTON, Ms. SCHRIER, and Mr. RUTHERFORD) introduced the following bill; which was referred to the Committee on Education and Labor

---

## A BILL

To improve Federal student loan disclosures, and for other purposes.

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 “Student Loan Dislo-  
5       sure Transparency Act of 2021”.

6       **SEC. 2. REQUIRED DISCLOSURES BEFORE DISBURSEMENT.**

7       Section 433(a) of the Higher Education Act of 1965  
8       (20 U.S.C. 1083(a)) is amended—

1           (1) by striking “and” at the end of paragraph  
2           (18);

3           (2) by striking the period and inserting “; and”  
4           at the end of paragraph (19); and

5           (3) by adding at the end the following new  
6           paragraph:

7           “(20) a separate written or electronic state-  
8           ment, in simple and understandable terms, show-  
9           ing—

10           “(A) for the loan or loans being dis-  
11           bursed—

12           “(i) the principal amount of the loan,  
13           the stated interest rate on the loan, the  
14           number of required monthly payments to  
15           be made on the loan (which shall be based  
16           on a standard repayment plan or, in the  
17           case of a borrower who has selected an-  
18           other repayment plan, on the repayment  
19           plan selected by the borrower), and the es-  
20           timated number of months before the start  
21           of the repayment period for the loan  
22           (based on the expected date on which the  
23           repayment period is to begin or the  
24           deferment period under 428B(d)(1) is to  
25           end, as applicable);

1                   “(ii) the estimated balance to be owed  
2                   by the borrower on such loan (including, if  
3                   applicable, the estimated amount of inter-  
4                   est to be capitalized) as of the scheduled  
5                   date on which the repayment period is to  
6                   begin or the deferment period under  
7                   428B(d)(1) is to end, as applicable, and an  
8                   estimate of the projected monthly payment;  
9                   and

10                  “(iii) an estimate of the aggregate  
11                  amount the borrower will pay for the loan  
12                  or loans, including the total amount of  
13                  monthly payments made over the life of  
14                  the loan plus the amount of any charges  
15                  for the loan, such as an origination fee;

16                  “(B) for each other loan owed by the bor-  
17                  rower to the lender, the information described  
18                  in clauses (i) through (iii) of subparagraph (A);  
19                  and

20                  “(C) an estimate of the total cumulative  
21                  amount the borrower will pay for all loans owed  
22                  by the borrower to that lender, including the  
23                  loan being disbursed, as determined by calcu-  
24                  lating the sum of the estimated aggregate

1 amounts the borrower will pay for each loan in  
2 accordance with subparagraphs (A) and (B).”.

3 **SEC. 3. DISCLOSURE OF PROJECTED MONTHLY PAYMENT**  
4 **AMOUNTS.**

5 Section 433 of the Higher Education Act of 1965 (20  
6 U.S.C. 1083) is further amended—

7 (1) in subsection (b), by amending paragraph  
8 (9) to read as follows:

9 “(9) information of interest charges, accrual,  
10 and payments, including—

11 “(A) the projected total of interest charges  
12 which the borrower will pay on the loan or  
13 loans, assuming that the borrower makes pay-  
14 ments exactly in accordance with the repayment  
15 schedule;

16 “(B) projections of the borrower’s monthly  
17 repayment amount, assuming interest accrual  
18 resulting from capitalization of interest while  
19 the borrower, or the student on whose behalf  
20 the loan is made, is in school (as applicable),  
21 which shall disclose the cost to the borrower  
22 of—

23 “(i) capitalizing the interest; and

24 “(ii) paying the interest as the inter-  
25 est accrues; and

1           “(C) if the borrower has already paid in-  
 2           terest on the loan or loans, the amount of inter-  
 3           est paid;”; and

4           (2) by striking subsection (d), and redesign-  
 5           nating subsections (e) and (f) as subsections (d) and  
 6           (e), respectively.

7 **SEC. 4. REQUIRED MONTHLY DISCLOSURES.**

8           Section 433(d) of the Higher Education Act of 1965,  
 9 as so redesignated by section 3 of this Act, is amended—

10           (1) in the subsection header, by striking “DUR-  
 11           ING REPAYMENT” and inserting “FOR THE LIFE OF  
 12           THE LOAN”; and

13           (2) by amending paragraph (1) to read as fol-  
 14           lows:

15           “(1) PERTINENT INFORMATION ABOUT LOANS  
 16           PROVIDED ON A MONTHLY BASIS.—Each eligible  
 17           lender shall provide the borrower of one or more  
 18           loans made, insured, or guaranteed under this part  
 19           or part D with a written monthly bill or statement  
 20           (including through electronic means), in simple and  
 21           understandable terms, of pertinent loan information  
 22           described in this paragraph that—

23           “(A) with respect to a borrower who is in  
 24           repayment status, shall include a bill that cor-

1 responds to each payment installment time pe-  
2 riod in which a payment is due;

3 “(B) with respect to a borrower who is not  
4 in repayment status, shall be a statement for  
5 each month of the period during which the bor-  
6 rower is not required to make a payment to the  
7 eligible lender, including while the borrower is  
8 in school and during periods of deferment or  
9 forbearance;

10 “(C) shall be provided to the borrower of  
11 a loan not more than 30 days after the first  
12 disbursement of the loan, and monthly there-  
13 after for the life of the loan; and

14 “(D) shall include, for all outstanding  
15 loans made, insured, or guaranteed under this  
16 part or part D by the eligible lender to the bor-  
17 rower—

18 “(i) the original principal amount of  
19 each of the borrower’s loans owed to that  
20 lender, and the original principal amount  
21 of those loans in the aggregate;

22 “(ii) the borrower’s current balance  
23 on each loan and on all loans in the aggre-  
24 gate, as of the time of the bill or state-  
25 ment, as applicable;

1 “(iii) the interest rate on each loan;

2 “(iv) the total amount the borrower  
3 has paid in interest on each loan and on  
4 all loans in the aggregate;

5 “(v) the amount of interest that has  
6 accumulated on each loan and on all loans  
7 in the aggregate since the last statement,  
8 and the total interest accrued to date on  
9 each loan and on all loans in the aggregate  
10 during the life of the loans;

11 “(vi) the aggregate amount the bor-  
12 rower has paid for each loan and all loans  
13 in the aggregate, including the amount the  
14 borrower has paid in interest, the amount  
15 the borrower has paid in fees, and the  
16 amount the borrower has paid against the  
17 principal;

18 “(vii) an estimate of the aggregate  
19 amount the borrower will pay during the  
20 life of the loan for each loan and on all  
21 loans in the aggregate, including the total  
22 amount of monthly payments made over  
23 the life of the loans plus the amount of any  
24 charges for the loans, such as origination  
25 fees;

1           “(viii) a description of each fee the  
2 borrower has been charged for the most re-  
3 cently preceding installment time period;

4           “(ix) the date by which the borrower  
5 needs to make a payment in order to avoid  
6 additional fees and the amount of such  
7 payment and the amount of such fees;

8           “(x) with respect to a borrower who is  
9 not in repayment, the estimated balance to  
10 be owed by the borrower on each loan and  
11 on all loans in the aggregate, and an esti-  
12 mate of the projected monthly payment on  
13 each loan and on all loans in the aggre-  
14 gate, on the estimated date the borrower  
15 will enter (or re-enter) repayment status;

16           “(xi) a reminder that the borrower  
17 has the option to change repayment plans,  
18 a list of the names of the repayment plans  
19 available to the borrower, a link to the ap-  
20 propriate page of the Department’s website  
21 to obtain a more detailed description of the  
22 repayment plans, and directions for the  
23 borrower to request a change in repayment  
24 plan;

25           “(xii) an explanation—



1                   “(I) that the borrower has the  
2                   option to pay the interest that accrues  
3                   on each loan while the borrower is a  
4                   student at an institution of higher  
5                   education or during a period of  
6                   deferment or forbearance, if applica-  
7                   ble; and

8                   “(II) if the borrower does not  
9                   pay such interest while attending an  
10                  institution or during a period of  
11                  deferment or forbearance, any accu-  
12                  mulated interest on the loan will be  
13                  capitalized when the loan goes into re-  
14                  payment, resulting in more interest  
15                  being paid over the life of the loan;

16                  “(xiii) an explanation that making  
17                  even small payments of any amount while  
18                  the borrower is a student at an institution  
19                  of higher education, or during a period of  
20                  deferment or forbearance, if applicable, can  
21                  help to offset interest accrual over the life  
22                  of the loan;

23                  “(xiv) the lender’s or loan servicer’s  
24                  address, toll-free phone number, and  
25                  website for payment and billing error pur-

1 poses, including information about how a  
2 borrower can make voluntary payments  
3 when a loan is not in repayment status;  
4 and

5 “(xv) an explanation to borrowers  
6 that loans made under this part of part D  
7 have significant protections for borrowers  
8 that aren’t offered by the private market,  
9 including a number of income-driven re-  
10 payment options, which offer flexible re-  
11 payments terms and loan forgiveness for  
12 struggling borrowers.”.

13 **SEC. 5. REPORT TO CONGRESS ON CONSUMER TESTING.**

14 Not later than 24 months after the date of enactment  
15 of this Act, the Secretary shall—

16 (1) conduct consumer testing by obtaining feed-  
17 back from individuals, including borrowers and pro-  
18 spective borrowers of loans under the Higher Edu-  
19 cation Act of 1965, on the usefulness and effective-  
20 ness of disclosing monthly terms of loans under sec-  
21 tion 433 of the Higher Education Act of 1965, as  
22 amended by this Act, to maximize borrowers’ under-  
23 standing of the terms and conditions of such loans;  
24 and

1           (2) submit to Congress a report on the results  
2       of such consumer testing.

3 **SEC. 6. EFFECTIVE DATE.**

4       The amendments made by this Act to the Higher  
5 Education Act of 1965 shall take effect 180 days after  
6 the date of enactment of this Act.

○