

118TH CONGRESS
2D SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mr. BARRASSO introduced the following bill; which was read twice and referred to the Committee on _____

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—

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

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

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

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

11 “(A) the amount of the loan;

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

13 “(C) the standard term for a loan of the
14 same type;

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

17 “(E) any capitalization of interest on the
18 loan.”.