

S 2280

Know Before You Owe Private Student Loan Act of 2012

Congress: 112 (2011–2013, Ended)

Chamber: Senate

Policy Area: Education

Introduced: Mar 29, 2012

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as introduced: CR S2255-2256) (Mar 29, 2012)

Official Text: <https://www.congress.gov/bill/112th-congress/senate-bill/2280>

Sponsor

Name: Sen. Durbin, Richard J. [D-IL]

Party: Democratic • **State:** IL • **Chamber:** Senate

Cosponsors (7 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Harkin, Tom [D-IA]	D · IA		Mar 29, 2012
Sen. Blumenthal, Richard [D-CT]	D · CT		Apr 16, 2012
Sen. Brown, Sherrod [D-OH]	D · OH		Apr 16, 2012
Sen. Franken, Al [D-MN]	D · MN		Apr 24, 2012
Sen. Rockefeller, John D., IV [D-WV]	D · WV		Apr 25, 2012
Sen. Sanders, Bernard [I-VT]	I · VT		May 8, 2012
Sen. Wyden, Ron [D-OR]	D · OR		Jun 4, 2012

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Mar 29, 2012

Subjects & Policy Tags

Policy Area:

Education

Related Bills

Bill	Relationship	Last Action
112 HR 6273	Identical bill	Oct 1, 2012: Referred to the Subcommittee on Financial Institutions and Consumer Credit.

Know Before You Owe Private Student Loan Act of 2012 - Amends the Truth in Lending Act to require a lender, before issuing a private education loan for a student attending an institution of higher education (IHE), to obtain the IHE's certification of: (1) the student's enrollment status, (2) the student's cost of attendance, and (3) the difference between that cost and the student's estimated financial assistance. Eliminates the requirement that such lenders obtain a self-certification form from the private education loan applicant.

Allows a lender to issue such loan without a certification if there is no response from the relevant IHE within 15 business days of the lender's request for the certification.

Requires private educational lenders to: (1) send loan statements to borrowers at least once every three months a student is enrolled at an IHE; (2) notify the relevant IHE, in writing, of the loan amount and the student to whom it applies no later than the date funds are issued; and (3) submit an annual report to the Consumer Financial Protection Bureau (CFPB) containing information the CFPB requires concerning private student loans.

Amends title IV (Student Assistance) of the Higher Education Act of 1965 to require IHEs, before providing lenders with certifications, to determine whether students have exhausted their options for title IV assistance and notify borrowers of: (1) the availability of such assistance; (2) their ability to choose their own private educational lender; (3) the impact of the proposed private education loan on their eligibility for other financial assistance; and (4) their right to accept or reject a private education loan within 30 days of the lender's approval of their application, and to cancel the loan within 3 business days of its consummation.

Actions Timeline

- **Mar 29, 2012:** Introduced in Senate
- **Mar 29, 2012:** Sponsor introductory remarks on measure. (CR S2254-2255)
- **Mar 29, 2012:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as introduced: CR S2255-2256)