

S 3116

Empowering Students Through Enhanced Financial Counseling Act

**Congress:** 114 (2015–2017, Ended)

**Chamber:** Senate

**Policy Area:** Education

**Introduced:** Jun 29, 2016

**Current Status:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

**Latest Action:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (Jun 29, 2016)

**Official Text:** <https://www.congress.gov/bill/114th-congress/senate-bill/3116>

Sponsor

**Name:** Sen. Warner, Mark R. [D-VA]

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

Cosponsors (3 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Gardner, Cory [R-CO]	R · CO		Jun 29, 2016
Sen. Heller, Dean [R-NV]	R · NV		Jun 29, 2016
Sen. Kaine, Tim [D-VA]	D · VA		Jun 29, 2016

Committee Activity

Committee	Chamber	Activity	Date
Health, Education, Labor, and Pensions Committee	Senate	Referred To	Jun 29, 2016

Subjects & Policy Tags

**Policy Area:**

Education

Related Bills

Bill	Relationship	Last Action
114 HR 3179	Related bill	<b>Jul 12, 2016:</b> Received in the Senate and Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

## **Empowering Students Through Enhanced Financial Counseling Act**

This bill amends title IV (Student Assistance) of the Higher Education Act of 1965 to modify loan counseling requirements for an institution of higher education (IHE) that participates in federal student aid programs.

Currently, an IHE must provide entrance counseling to a student who is a first-time federal student loan borrower. This bill replaces required entrance counseling with required annual counseling. Also, it expands the required recipients of such annual counseling to include, in addition to student borrowers, Federal Pell Grant recipients and parent PLUS Loan borrowers.

Each annual counseling recipient must receive comprehensive information on the terms, conditions, and responsibilities with respect to a grant or loan and general information on a typical student budget, the right to request an annual credit report, average income and employment data, and financial management resources. Additionally, the bill revises and expands the required contents of annual counseling for student borrowers, specifies the authorized contents of annual counseling for Pell Grant recipients, and establishes the required contents of annual counseling for parent PLUS loan borrowers.

The bill revises and expands exit counseling information requirements to include an outstanding loan balance summary, the anticipated monthly payments under standard and income-based repayment plans, an explanation of the grace period preceding repayment, the option to pay accrued interest before it capitalizes, the right to request an annual credit report, and loan servicer contact information.

It directs ED to maintain a consumer-tested online counseling tool that provides annual and exit counseling.

The Institute of Education Sciences must study the impact and effectiveness of exit counseling, annual counseling, and the online counseling tool.

## **Actions Timeline**

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- **Jun 29, 2016:** Introduced in Senate
- **Jun 29, 2016:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.