

S 3347

Know Before You Owe Private Education Loan Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Education

Introduced: Sep 15, 2016

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Sponsor introductory

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Sponsor introductory remarks on measure: CR S5845-5846; text of measure as introduced: CR S5846-5847) (Sep 15, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/3347>

Sponsor

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

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

Cosponsors (2 total)

| Cosponsor | Party / State | Role | Date Joined |
|-------------------------|---------------|------|--------------|
| Sen. Franken, Al [D-MN] | D · MN | | Sep 15, 2016 |
| Sen. Reed, Jack [D-RI] | D · RI | | Sep 15, 2016 |

Committee Activity

| Committee | Chamber | Activity | Date |
|---|---------|-------------|--------------|
| Banking, Housing, and Urban Affairs Committee | Senate | Referred To | Sep 15, 2016 |

Subjects & Policy Tags

Policy Area:

Education

Related Bills

| Bill | Relationship | Last Action |
|-----------|--------------|--|
| 114 S 840 | Related bill | Mar 23, 2015: Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (text of measure as introduced: CR S1712-1716) |

Know Before You Owe Private Student Loan Act of 2016

This bill amends the Truth in Lending Act to revise requirements for disclosures in private education loan applications. Before issuing a private education loan for a student attending an institution of higher education (IHE), lenders must obtain the IHE's certification of the student's enrollment status, the student's cost of attendance, and the difference between that cost and the student's estimated financial assistance.

Lenders must: (1) send loan statements to borrowers at least once every three months a student is enrolled at an IHE, (2) notify the relevant IHE 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.

This bill amends title IV (Student Assistance) of the Higher Education Act of 1965 by requiring 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 federal financial aid 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

- **Sep 15, 2016:** Introduced in Senate
- **Sep 15, 2016:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Sponsor introductory remarks on measure: CR S5845-5846; text of measure as introduced: CR S5846-5847)