

HOUSE BILL NO. 6245

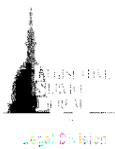
September 22, 2020, Introduced by Reps. Anthony, Hope, Shannon, Hammoud, Koleszar, Hood and Leutheuser and referred to the Committee on Education.

A bill to require certain institutions of higher education to make certain disclosures to students concerning their student loans; and to provide for the powers and duties of certain state and local governmental officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "student loan disclosure act".

3 Sec. 2. As used in this act, "institution of higher education"
4 means either of the following:



1 (a) A state institution of higher education described in
2 section 4, 5, or 6 of article VIII of the state constitution of
3 1963.

4 (b) A public community or junior college described in section
5 7 of article VIII of the state constitution of 1963.

6 Sec. 3. (1) Beginning in September 2021, an institution of
7 higher education that receives federal education loan information
8 or other student loan information regarding a student enrolled at
9 the institution shall provide the following to the student on an
10 annual basis at a time determined by the institution, but no later
11 than July 1 each year:

12 (a) An estimate of the total amount of federal education loans
13 or other student loans that are disbursed by the institution taken
14 out by the student.

15 (b) Subject to section 4, an estimate of the total payoff
16 amount of the federal education loans or other student loans that
17 are disbursed by the institution incurred by the student enrolled
18 at the institution of higher education, if the loans were to go
19 into repayment as of the date of the annual notification under this
20 section.

21 (c) The number of years used in determining the potential
22 total payoff amount.

23 (d) Information on how the student can access online repayment
24 calculators.

25 (2) An institution of higher education shall provide the
26 information described in subsection (1) to students through first-
27 class mail, electronic mail, an online portal, or other
28 communication protocol established by the institution, including
29 the institution's protocol for communicating grades.



1 Sec. 4. The information provided to a student under section 3
2 may include a statement that any estimate or range provided is
3 general in nature and not intended to be a guarantee or promise of
4 an actual projected amount. The statement must include a disclaimer
5 that the information provided under section 3 pertains only to
6 federal loans disbursed at the institution of higher education that
7 is providing the information or any loans disbursed directly from
8 the institution.

9 Sec. 5. (1) An institution of higher education shall not incur
10 liability for any representation made under this act.

11 (2) An institution of higher education may comply with section
12 3 by contracting with a student loan servicer to provide the
13 information required under section 3, if the student loan servicer
14 provides the information required under section 3(1) in the manner
15 required under section 3(2).

