

## **SB 253 -2 STAFF MEASURE SUMMARY**

### **Senate Committee On Education**

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**Meeting Dates:** 2/23, 4/11

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#### **WHAT THE MEASURE DOES:**

Requires institutions of higher education to provide annual student loan fact sheets to students receiving student loans, starting in the 2018-19 academic year. Requires fact sheets to list the estimate of the total amount of loans received by the student; an estimate of the total amount the student will owe upon graduating; an estimate of the amount, including interest, that the student will have to pay each month; and the percentage of the borrowing limit the student has reached for each type of federal loan received.

#### **ISSUES DISCUSSED:**

- Student debt load
- Debt incurred by older students
- Effects of similar policies in other states

#### **EFFECT OF AMENDMENT:**

-2 Removes requirement for "fact sheet." Requires community colleges and universities to provide the following information to students annually in a unified, plain language format:

- Estimate of the total amount of federal education loans student has received to date;
- Total cumulative amount of tuition and fees student has paid to date;
- Estimate of total potential payoff amount, or range, including principal and interest;
- Estimate of the amount, including interest, of potential monthly payment;
- Percentage of the borrowing limit student has reached to date; and
- Statement that the information provided does not include private loans or credit card debt.

#### **BACKGROUND:**

In the 2013-14 school year, 3,319 students at Oregon's public institutions of higher education were awarded federal student loans. These students comprise 42 percent of all students enrolled. They received a total of \$22,515,523.00, or \$6,694 on average. The Institute for College Access and Success reports that average student debt in Oregon increased 51 percent from 2004 to 2014.