

**From:** Gilbert Dan  
**Sent:** Monday, May 15, 2017 1:34 PM  
**To:** Sen Taylor <[Sen.KathleenTaylor@oregonlegislature.gov](mailto:Sen.KathleenTaylor@oregonlegislature.gov)>  
**Subject:** RE: SB 253A Language Question

Senator Taylor,

Senate Bill 253A requires each institution of higher education to provide certain student loan information to identified students who are enrolled at the institution. In particular, section 2 (2)(d) of the bill requires that each institution provide “[a]n estimate of the amount, including interest, that the student will have to pay each month to service the federal loan amount ... including the interest rate and number of repayment years used by the institution of higher education to calculate the monthly payment estimate[.]” You asked whether this requirement could be satisfied by the institutions providing the same information that is provided by Nebraska and produced in your email below. We believe that the answer is yes, although some minor modifications to the Nebraska chart may be necessary.

Section 2 (2)(d) of SB 253A requires that each institution provide “an estimate” of the following information:

- The amount, including interest, that the student will have to pay each month to service the total amount of federal education loans the student has received (“monthly payment”);
- The interest rate the institution used to calculate the monthly payment estimate (“interest rate”); and
- The number of repayment years the institution used to calculate the monthly payment estimate (“repayment period”).

The information provided by Nebraska first identifies the total amount of federal student loans owed by each student. It then provides each student with a chart that allows the student to identify, for a range of total student loan amounts, the monthly payment based on different interest rates. Finally, the information provided by Nebraska notes that the calculations in the chart are based on a repayment period of 10 years.

We believe that, while minor modifications may be necessary, institutions of higher education in Oregon could use information like that provided by Nebraska to comply with the requirements set forth in section 2 (2)(d) of SB 253A. The two modifications that may need to be made are: (1) enlarging the range of potential student loan debt (as it is likely that some students will owe more than \$30,000); and (2) ensuring that the interest rates used in the chart cover the full range of potential interest rates that are charged for servicing federal loans at the institution (as the chart provided by Nebraska may not be useful if, *e.g.*, the student is charged an interest rate of 6.4%).

Assuming that the above-referenced modifications are adopted to the extent necessary, we believe that institutions of higher education in Oregon could provide information similar to that provided by Nebraska and be in compliance with the requirements set forth in section 2 (2)(d) of SB 253A. This is because we believe that the information would constitute “an estimate” of the required information. For example, if a student has a total student loan debt of \$17,000 at an interest rate of 4.3%, the student could use the chart to determine that the student would need to pay approximately \$175 per month over a 10 year repayment period (an amount roughly between the repayment rate for a total

student debt loan of \$15,000 and \$20,000 at an interest rate of 4.3%). In this regard, we do not believe that section 2 (2)(d) of SB 253A requires that institutions provide each student with an exact monthly payment. This is particularly true if (as is the case in Nebraska) the estimate from the institution is accompanied by a link to the repayment calculator where more precise and individualized repayment information may be obtained.

Please let me know if any part of this analysis is unclear or if it would be helpful for me to testify to our conclusion at a hearing.

Best Regards,

Dan

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**From:** Sen Taylor  
**Sent:** Thursday, May 11, 2017 3:50 PM  
**To:** Gilbert Dan <[Dan.Gilbert@oregonlegislature.gov](mailto:Dan.Gilbert@oregonlegislature.gov)>  
**Subject:** SB 253A Language Question

Hello Dan,

Thank you for your work as the drafter of SB 253A. I am hoping that you might be able to provide some Legislative Counsel insight on a piece of the bill language. We have heard from higher education institutions, and specifically the Community Colleges in the Public Hearing on Tuesday 5/9, that the Nebraska (Northeast Community College) model of information-delivery to students [about their loan information] would be very doable (and would be cost-efficient). They also, however, are concerned that the language in SB 253A asks for something *more* specific than the information provided by Nebraska. The language in question, is found in Section 2(d), "that the student will have to pay".

I have copy/pasted what Nebraska is doing below. Just for a small piece of background, up until this week, they were not including language about the number of years for repayment, but when DOJ reached out to Northeast to ask why, and to ask how simple it would be to add that in, they went ahead and updated the information they put out to students. The message that goes to students, and the accompanying table is listed below. Does supplying this information satisfy the requirements laid out in SB 253A?

*In accordance with Nebraska Legislative Bill 726 your total current loan balance is **<TOTAL\_LOANS>** as of the date we received your 2017-2018 FAFSA. The percentage of the aggregate borrowing limit you've reached is **<IND\_%\_AGG\_LIMIT><DEP\_%\_AGG\_LIMIT>**%. Below is a table with estimated repayment information for the standard 10 year repayment plan. Please visit the [Federal Student Aid Repayment Estimator](https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action) for repayment options and information based on your current loan balance.*

Total Student Loan Debt	Rate 3.8		Rate 4.3		Rate 4.7	
	Monthly Payment	Total Repayment Amount	Monthly Payment	Total Repayment Amount	Monthly Payment	Total Repayment Amount
\$ 3,500	\$50	\$3,968	\$50	\$4,039	\$50	\$4,099
\$ 5,500	\$55	\$6,620	\$56	\$6,777	\$58	\$6,904
\$ 6,500	\$65	\$7,823	\$67	\$8,009	\$68	\$8,159
\$ 7,500	\$75	\$9,027	\$77	\$9,241	\$78	\$9,414
\$ 10,000	\$100	\$12,036	\$103	\$12,321	\$105	\$12,553
\$ 12,000	\$120	\$14,443	\$123	\$14,785	\$126	\$15,063
\$ 15,000	\$150	\$18,054	\$154	\$18,482	\$157	\$18,829
\$ 20,000	\$201	\$24,071	\$205	\$24,642	\$209	\$25,105
\$ 25,000	\$251	\$30,089	\$257	\$30,803	\$262	\$31,382
\$ 30,000	\$301	\$36,107	\$308	\$36,964	\$314	\$37,658

Thank you so much for your assistance.

Most sincerely,  
Amanda

*Amanda Kraus*

Legislative Assistant  
State Senator Kathleen Taylor  
Senate District 21  
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