

## **HB 2474 STAFF MEASURE SUMMARY**

### **House Committee On Higher Education and Workforce Development**

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**Prepared By:** Laura Kentnesse, LPRO Analyst

**Meeting Dates:** 2/21

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

Directs Higher Education Coordinating Commission to establish, by rule, process to ensure students receiving an education loan are provided annual counseling services during student orientation. Specifies counseling services must include estimate of total education loan amount, estimate of total education loan amount student will owe upon graduation, and estimate of monthly payment including interest to service loan. Specifies higher education institutions are not liable for any information provided by the counseling services.

*REVENUE: May have revenue impact, but no statement yet issued*

*FISCAL: May have fiscal impact, but no statement yet issued*

#### **ISSUES DISCUSSED:**

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

#### **BACKGROUND:**

The federal government requires entrance and exit counseling for Direct Federal Loan recipients, including Direct Subsidized, Direct Unsubsidized, and Direct PLUS loans. The purpose of entrance counseling is to ensure each student understands the responsibilities and obligations of the loan prior to receiving the loan. Exit counseling provides students with information that prepares them to repay their student loans. These counseling requirements are typically met through two twenty-minute online session through the U.S. Department of Education Federal Student Aid website.

In 2013, Oregon's public universities adopted a student loan debt management and outreach policy that required all institutions to provide additional student debt support and programs beyond federally mandated counseling, especially for those students considered most at-risk of incurring higher-than-average student loan debt. Typically, institutions meet this policy requirement through maintaining a Financial Aid Office that provides financial counseling services upon student request.