



STATEMENT OF LINDSAY AHLMAN
Senior Policy Analyst
The Institute for College Access & Success (TICAS)

CONTACTS: [Shannon Serrato](#), 510-318-7915
[Angelique Palomar](#), 510-318-7907

March 27, 2019

Three Bipartisan Bills Would Ensure Students Have Key Information to Help Make Decisions about Where to Go to College and How to Pay for It

“We don’t ask consumers to purchase a car without knowing in advance how much it will cost them, their options for paying for it, and how well it typically performs, but this is precisely the untenable ask we make of students deciding where to go college and how to pay for it.

“[Three bills](#) introduced today by Senators Grassley (R-IA), Smith (D-MN), and Ernst (R-IA), one of which was also introduced in the House by Representatives Cummings (D-MD) and Guthrie (R-KY), underscore a longstanding and encouraging bipartisan commitment to making sure students and families have access to information they need to support financial decisions required to get to and through college:

- ***Net Price Calculator Improvement Act.*** This bicameral bill creates a central website to allow students and families to compare individualized estimates of their net price across multiple colleges at one time.
- ***Understanding the True Cost of College Act.*** This bill ensures financial aid offer letters are clear and comparable across colleges.
- ***Know Before You Owe Federal Student Loan Act.*** This bill ensures students are provided with timely and relevant information about student loan borrowing.

“Our current higher education system requires students to navigate complex and consequential decisions about their future without adequate information about college costs, financial aid, and typical outcomes. The bipartisan bills introduced today ensure students and families making these decisions have the reliably accessible, timely, accurate, and comparable information they need to understand the actual costs of college, and the options available to help cover those costs.

“We thank Senators Grassley, Smith, and Ernst, and Representatives Cummings and Guthrie for advancing the common sense solutions offered in these bills. Enacting these reforms is long overdue, and we look forward to working to ensure that these improvements are included in any reauthorization of the Higher Education Act.”

ADDITIONAL INFORMATION:

Net Price Calculator Improvement Act: Allows students to enter their information once and instantly get comparable net price information from multiple colleges

The “net price” is the amount that students and their families have to earn, save, or borrow to attend a school. Net price calculators are critical consumer information tools to help prospective college students look

beyond college "sticker prices" to get early, personalized estimates of college costs and financial aid. Nearly all colleges are currently required to include a net price calculator on their websites, but many of these online tools are difficult to find, use, and compare. The legislation creates a "universal net price calculator," a central website that would allow students to obtain comparable net price estimates for multiple colleges without having to enter their information multiple times in different places. It also makes needed improvements to the design and accessibility of existing net price calculators.

For more information about net price calculators see <https://ticas.org/net-price-calculator-publications-and-resources>

Understanding the True Cost of College Act: Reduces Complexity for Students by Creating Standardized, Comparable Financial Aid Offers

Financial aid award letters are crucial tools for helping students and families determine which colleges are within reach, but many letters are difficult to understand and compare. A [2017 TICAS analysis](#) found that just seven percent of 150 award letters that did not use the Department of Education's voluntary standard format (the "shopping sheet") met three basic consumer friendly standards, including providing the full cost of attendance, separating aid that needs to be repaid from aid that does not (loans versus grants); and providing the "net price" of attendance. These and other shortcomings were also [recently documented](#) by New America and uAspire. The lack of transparency, inadequacy of information, and inconsistency in award letters creates unnecessary complexity and confusion for students, many of whom are already struggling to pull together limited resources and a patchwork of financial aid in order to cover the cost of college. To guarantee that students receive clear and comparable cost and financial aid information from every college to which they are admitted, the bill requires all colleges to use consistent terminology and a standardized format in their financial aid offer letters.

For more information on award letters read: [Costs in Translation: How Financial Aid Award Letters Fall Short](#) and see also <https://ticas.org/tags/financial-aid-award-letters>

Know Before You Owe Federal Student Loan Act: Improves Student Loan Counseling to Empower Students to Make Informed Borrowing Decisions

By providing students with timely and relevant information related to student loan borrowing, federal student loan counseling can play an integral role in helping students make wise borrowing decisions that both enable them to achieve their educational goals and avoid delinquency and default. This bill will provide students with key new information, such as an estimate of their total expected student loan debt at graduation- including private loans that do not provide the same consumer protections as federal student loans- and an expected debt-to income ratio based on their current program of study. Combined with an explanation about how extending time to graduation can increase costs, this enhanced and more frequent counseling may reduce students' uncertainty about their debt burden as they progress through college, as well as their expected financial circumstances at graduation.

###

An independent, nonprofit organization, The Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds. Our Project on Student Debt works to increase public understanding of student debt and the implications for our families, economy, and society. For more information see www.ticas.org or follow us on [Twitter](#) and [Facebook](#).