

## Assembly Bill No. 1178

### CHAPTER 448

An act to add Section 69509.6 to the Education Code, relating to postsecondary education.

[Approved by Governor October 3, 2017. Filed with  
Secretary of State October 3, 2017.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1178, Calderon. Postsecondary education: student loans.

Under existing law, the segments of postsecondary education in this state are the University of California, the California State University, the California Community Colleges, independent institutions of higher education, and private postsecondary educational institutions.

This bill would require, commencing with the 2018–19 award year, each higher education institution, except for the California Community Colleges, to the extent that the institution receives a student borrower's federal, state, and private education loan information, to send an individualized letter, by regular mail or electronic mail, to that student that includes specified information.

*The people of the State of California do enact as follows:*

SECTION 1. Section 69509.6 is added to the Education Code, to read:  
69509.6. (a) Commencing with the 2018–19 award year, each higher education institution, except for the California Community Colleges, shall, to the extent that the institution receives a student borrower's federal, state, and private education loan information, send an individualized letter, by regular mail or electronic mail, to that student that includes all of the following information:

(1) An estimate of all of the following:

(A) The total cumulative principal amount of his or her federal, state, and private education loans.

(B) The potential total payoff amount of his or her federal, state, and private education loans incurred or a range of the total payoff amount.

(C) Monthly repayment amounts that a similarly situated borrower may incur, including principal and interest, for the amount of loans the student has taken out at the time the information is provided, assuming a 10-year repayment plan under current federal loan interest rates.

(2) A statement that the estimates provided pursuant to paragraph (1) are general in nature and not meant as a guarantee or promise of the actual projected amounts, and that they are based on the loan amounts that the

institution is aware of and may not include all student debt incurred; that borrowers with private loans may have substantially higher payments; and that federal student loan borrowers may be eligible for repayment plans that extend beyond ten years.

(3) Contact information for the institution's financial aid office or a financial aid or academic adviser of the institution.

(b) An institution described in subdivision (a) shall not incur liability for any representations made in the estimates provided pursuant to paragraph (1) of subdivision (a).

(c) If an institution is not able to provide a student with estimates pursuant to paragraph (1) of subdivision (a), the institution shall inform the student in the letter described in subdivision (a) that he or she may view his or her financial aid history by establishing a federal student aid account, or accessing his or her federal student aid account if established, through the National Student Loan Data System. The institution shall provide the student with the Internet Web site link to the system.