

AMENDMENT NO. _____ Calendar No. _____

Purpose: To provide for the development of a student loan clearinghouse.

IN THE SENATE OF THE UNITED STATES—110th Cong., 1st Sess.

S. 1642

To extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by _____

Viz:

1 At the end of title VIII, add the following:

2 **SEC. 802. STUDENT LOAN CLEARINGHOUSE.**

3 (a) DEVELOPMENT.—Not later than 180 days after
4 the date of enactment of this Act, the Secretary of Edu-
5 cation shall establish 1 or more clearinghouses of informa-
6 tion on student loans (including loans under parts B and
7 D of title IV of the Higher Education Act of 1965 (20
8 U.S.C. 1071 et seq. and 1087a et seq.) and private loans,
9 for both undergraduate and graduate students) for use by
10 prospective borrowers or any person desiring information

1 regarding available interest rates and other terms from
2 lenders. Such a clearinghouse shall—

3 (1) have no affiliation with any institution of
4 higher education or any lender;

5 (2) accept nothing of value from any lender,
6 guaranty agency, or any entity affiliated with a lend-
7 er or guaranty agency, except that the clearinghouse
8 may establish a flat fee to be charged to each listed
9 lender, based on the costs necessary to establish and
10 maintain the clearinghouse;

11 (3) provide information regarding the interest
12 rates, fees, borrower benefits, and any other matter
13 that the Department of Education determines rel-
14 evant to enable prospective borrowers to select a
15 lender;

16 (4) provide interest rate information that com-
17 plies with the Federal Trade Commission guidelines
18 for consumer credit term disclosures; and

19 (5) be a nonprofit entity.

20 (b) PUBLICATION OF LIST.—The Secretary of Edu-
21 cation shall publish a list of clearinghouses described in
22 subsection (a) on the website of the Department of Edu-
23 cation and such list shall be updated not less often than
24 every 90 days.

1 (c) DISCLOSURE.—Beginning on the date the first
2 clearinghouse described in subsection (a) is established,
3 each institution of higher education that receives Federal
4 assistance under the Higher Education Act of 1965 (20
5 U.S.C. 1001 et seq.) and that designates 1 or more lend-
6 ers as preferred, suggested, or otherwise recommended
7 shall include a standard disclosure developed by the Sec-
8 retary of Education on all materials that reference such
9 lenders to inform students that the students might find
10 a more attractive loan, with a lower interest rate, by vis-
11 iting a clearinghouse described in subsection (a).

12 (d) REPORT.—Not later than 18 months after the
13 date of enactment of this Act, the Comptroller General
14 of the United States shall submit a report to Congress
15 on whether students are using a clearinghouse described
16 in subsection (a) to find and secure a student loan. The
17 report shall assess whether students could have received
18 a more attractive loan, one with a lower interest rate or
19 better benefits, by using a clearinghouse described in sub-
20 section (a) instead of a preferred lender list.