

CONSUMER DISCLOSURE

Providing accurate and helpful consumer disclosures for students and families regarding college cost is of great value and utmost importance. Postsecondary education is likely one of the largest investments that families will make and they deserve to have proper and timely information to make those decisions. This is an area that should show continual innovation and improvement.

State of Consumer Disclosure: Over the past year college costs, transparency, and affordability have received much attention from the White House, Congress, the Department of Education, and the Consumer Financial Protection Bureau. A natural spin-off of this focus has been the need to improve consumer disclosures related to college costs. Multiple consumer disclosure proposals from separate entities have been introduced, including the College Scorecard, College Shopping Sheet, College Cost Comparison Worksheet, and several related bills in Congress. While these proposals are well-intended, when taken together, they are generally duplicative and lack coordination among each other and existing consumer disclosure requirements. Perhaps more importantly, all of these proposals also lack a thorough consumer testing process to make sure that the information is indeed helpful to its targeted population – students and families.

We urge Congress to:

- ✓ Conduct a thorough review of existing consumer disclosure requirements before proposing new disclosures. Currently, there are an overwhelming number of required disclosures for students and families, but there has not been a full review of which disclosures actually help students and families and when, and in what sequence in the college-going process they are most beneficial.
- ✓ Engage students and families in the testing of existing and future proposals so that the end-users have a voice in the product.
- ✓ Avoid overly prescriptive and duplicative consumer disclosure bills. Instead, include legislative language that provides only the general purpose of the bill and calls for consumer testing to determine the specific details.

BACKGROUND: SUMMARY OF CONSUMER DISCLOSURE PROPOSALS

	College Scorecard	College Shopping Sheet ¹	Comparison Worksheet	Senator Franken's Bill	Senator Blumenthal's Bill
Proposer	White House January 2012	White House/CFPB October 2011	CFPB April 2012	Sen. Franken May 2012	Sen. Blumenthal September 2012
Stated Purpose	Compare colleges using key measures of affordability and value	Render aid offers from schools easier to understand and comparable with other school offers	Enable direct comparison of costs, net prices, and/or award offers from different schools	Mandate use of standard format and design as well as content; standardize terminology	Reduce aggressive recruiting and misrepresentation by mandating standardized disclosure form to be developed by ED and CFPB
Intended Timeframe for Use	Early in school search; will reside on ED's College Affordability and Transparency Center	After application, upon aid notification, before commitment to attend	Bifurcated – tries to address both early search stage and aid award stage	When aid is offered	Prior to enrollment

¹ The Shopping Sheet was adopted by the Department of Education as its model form.