



## **SB 5022**

# **NOTIFICATION TO STUDENTS REGARDING EDUCATION LOANS**

December 1, 2021

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# Introduction

A number of community and technical college students are in a position where they must choose between taking out a student loan or not furthering their education. Students who choose to invest in their education by taking out a student loan receive notifications that apprise them of the impact of that debt each time they borrow.

## Overview of SB 5022

Senate Bill 5022, which took effect July 23, 2017, requires colleges to submit a report beginning in December 2019 and every other year through 2025 informing how Washington's postsecondary institutions are in compliance with the following:

“An educational institution must provide to an enrolled student who has applied for student financial aid a notification including the following information about the student's education loans the educational institution has certified:

An estimate, based on information available at the time the notification is provided, of the:

- Total amount of student education loans taken out by the student;
- Potential total payoff amount of the student education loans incurred or a range of the total payoff amount, including principal and interest;
- The monthly repayment amount that the student may incur for the amount of student education loans the student has taken out, based on the federal loan repayment plan borrowers are automatically enrolled in if they do not select an alternative repayment plan; and
- Percentage of the aggregate federal direct loan borrowing limit applicable to the student's program of study the student has reached at the time the information is sent to the student; and
- Consumer information about the differences between private student loans and federal student loans, including the availability of income-based repayment plans and loan forgiveness programs for federal loans;
- A statement that the estimates and ranges provided are general in nature and not meant as a guarantee or promise of the actual projected amount. It must also include a statement that a variety of repayment plans are available for federal student loans that may limit the monthly repayment amount based on income; and
- The notification must include information about how to access resources for student education loan borrowers provided by federal or state agencies, such as a student education loan debt hotline and website or student education loan ombuds, federal student loan repayment calculator, or other available resources.”

This is the second report due to the Legislature's higher education committees and Governor's Office in December as required by [RCW 28B.10.285](#) once each biennium.

# Community and Technical College System

## Uniform Template for Complying with SB 5022

The State Board for Community and Technical Colleges created a common notification function within software systems shared by all 34 colleges (Legacy and PeopleSoft). As a result, the State Board can verify that all campuses are in compliance with Senate Bill 5022 and subsequent amendments found in Engrossed Second Substitute Senate Bill 6029 in 2018.

## State Board Policy Manual Additions

### 3.20.50 Student Rights and Responsibilities

Community and technical colleges are required to:

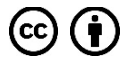
- M. Provide to an enrolled student who has applied for student financial aid a notification detailing information about the student education loans the educational institution has certified (see [RCW 28B.10.285](#)).

## Conclusion

Washington's 34 community and technical colleges have worked together to establish a global system template and policy to effectively implement the statutes of RCW 28B.10.285.

## Contact

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