

House File 703

S-5085

1 Amend House File 703, as passed by the House, as follows:

2 1. By striking page 1, line 3, through page 3, line 26, and
3 inserting:

4 <Sec. _____. NEW SECTION. 261M.1 Definitions.

5 As used in this chapter, unless the context otherwise
6 requires:

7 1. "*Bureau*" means the bureau of Iowa college aid of the
8 department of education.

9 2. "*Corporation*" means the Iowa student loan liquidity
10 corporation.

11 Sec. _____. NEW SECTION. 261M.2 Student loan information.

12 The corporation shall provide the following information to
13 the bureau:

14 1. An estimate of the annual percentage rate of the federal
15 direct plus loan as well as the assumptions used by the
16 corporation to prepare the estimate. The corporation shall
17 provide this information annually after the interest rate for a
18 federal direct plus loan is established.

19 2. The address of the corporation's internet site that
20 includes information on possible annual percentage rates for
21 a college family loan and partnership loan offered by the
22 corporation and the disclosures required by 34 C.F.R. §601.11.
23 The corporation shall notify the bureau when the annual
24 percentage rate for the college family loan or partnership loan
25 changes.

26 3. The address of the corporation's internet site that
27 includes a chart comparing the terms and conditions of the
28 federal direct plus loan with those of the college family loan
29 and the partnership loan. The corporation shall notify the
30 bureau when any information on the chart is changed.

31 Sec. _____. NEW SECTION. 261M.3 Analysis of student loan
32 information.

33 Upon receiving information from the corporation as required
34 by section 261M.2, the bureau shall do all of the following:

35 1. Provide the estimate and assumptions required by section

1 261M.2, subsection 1, to the superintendent of banking. The
2 superintendent shall review the estimate and assumptions and
3 report the superintendent's findings as to the accuracy and
4 validity of the estimate and assumptions to the bureau.

5 2. Using the report provided pursuant to subsection 1 and
6 any other resources available to the bureau, determine if
7 the information included in the chart described in section
8 261M.2, subsection 3, is accurate. If the bureau determines
9 any information is inaccurate, the bureau shall notify the
10 corporation of the inaccuracy and the manner in which the
11 inaccuracy can be corrected.

12 3. Compare the estimated annual percentage rate for the
13 federal direct plus loan to the annual percentage rates for
14 the college family loan and the partnership loan and determine
15 if the college family loan or the partnership loan may offer a
16 lower annual percentage rate than the federal direct plus loan.

17 Sec. _____. NEW SECTION. **261M.4 Online statement.**

18 If the bureau determines, based on section 261M.3,
19 subsection 3, that the college family loan or the partnership
20 loan may offer a lower annual percentage rate than the federal
21 direct plus loan, the bureau shall publish on the bureau's
22 internet site a statement that contains the information
23 required by this section. The bureau shall remove the
24 statement if a change in annual percentage rate results in
25 the college family loan or the partnership loan no longer
26 having the lower rate. The statement must include all of the
27 following:

28 1. An explanation that the supplemental student loan
29 program offered by the state of Iowa, which includes the
30 college family loan and the partnership loan, offers an
31 annual percentage rate that is lower than the estimated annual
32 percentage rate of the federal direct plus loan.

33 2. The estimated annual percentage rate of the federal
34 direct plus loan and the address of the corporation's internet
35 site described in section 261M.2, subsection 2. The bureau

1 shall update this information as applicable interest rates and
2 annual percentage rates change.

3 3. The address of the corporation's internet site described
4 in section 261M.2, subsection 3.

5 Sec. _____. NEW SECTION. **261M.5 Information required in**
6 **offers of financial aid.**

7 By October 1 each year, if the bureau determines, based on
8 section 261M.3, subsection 3, that the college family loan
9 or the partnership loan may offer a lower annual percentage
10 rate than the federal direct plus loan, the bureau shall
11 send to each institution of higher education in this state
12 eligible to receive funds through the college family loan or
13 the partnership loan offered by the corporation the information
14 required by this section. Each institution shall include the
15 information in all offers of financial aid sent to prospective
16 students or their families. The bureau shall notify each
17 institution if a change in annual percentage rate results in
18 the college family loan or the partnership loan no longer
19 having the lower rate, in which case the institution shall no
20 longer be required to include the information unless notified
21 otherwise by the bureau.

22 1. An explanation as described in section 261M.4,
23 subsection 1.

24 2. The address of the bureau's internet site that includes
25 the statement required by section 261M.4.

26 3. The address of the corporation's internet site described
27 in section 261M.2, subsection 3.>

28 2. By renumbering as necessary.

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