



STATE OF IOWA
KIM REYNOLDS
GOVERNOR

May 06, 2026

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary,

I hereby transmit:

House File 703, an Act concerning information regarding certain state and federal student loan programs.

The above House File is hereby approved on this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Kim Reynolds".

Kim Reynolds
Governor of Iowa

cc: Secretary of the Senate
Clerk of the House



House File 703

AN ACT
CONCERNING INFORMATION REGARDING CERTAIN STATE AND FEDERAL
STUDENT LOAN PROGRAMS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. SHORT TITLE. This Act shall be known and may be cited as the "Increasing Student Financial Aid Awareness Act".

Sec. 2. NEW SECTION. 261M.1 Definitions.

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

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

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

Sec. 3. NEW SECTION. 261M.2 Student loan information.

The corporation shall provide the following information to the bureau:

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

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

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

Sec. 4. NEW SECTION. 261M.3 Analysis of student loan information.

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

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

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

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

Sec. 5. NEW SECTION. 261M.4 Online statement.

If the bureau determines, based on section 261M.3, subsection 3, that the college family loan or the partnership loan may offer a lower annual percentage rate than the federal direct plus loan, the bureau shall publish on the bureau's internet site a statement that contains the information

required by this section. The bureau shall remove the statement if a change in annual percentage rate results in the college family loan or the partnership loan no longer having the lower rate. The statement must include all of the following:

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

2. The estimated annual percentage rate of the federal direct plus loan and the address of the corporation's internet site described in section 261M.2, subsection 2. The bureau shall update this information as applicable interest rates and annual percentage rates change.

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

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

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

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

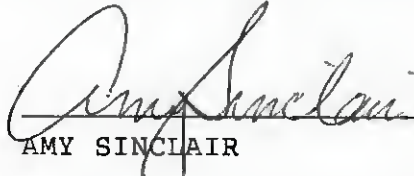
2. The address of the bureau's internet site that includes the statement required by section 261M.4.

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

4. A statement that students and their families should utilize federal loan programs for students before considering a federal direct plus loan, college family loan, or partnership loan.

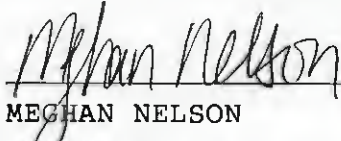


PAT GRASSLEY
Speaker of the House



AMY SINCLAIR
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 703, Ninety-first General Assembly.



MEGHAN NELSON
Chief Clerk of the House

Approved May 6th, 2026



KIM REYNOLDS
Governor