

H.R. 4137

SCHOOL REQUIREMENTS:

INSTITUTIONAL CERTIFICATIONS FOR PRIVATE EDUCATIONAL LOANS.-Section 487(a) is further amended by adding at the end the following new paragraph:

"(29)(A) The institution will

(i) upon the request of a private educational lender, acting in connection with an application initiated by a consumer for a private educational loan, provide certification to such private educational lender

(I) that the student who initiated the application for the private educational loan, or on whose behalf the application was initiated, is enrolled or is scheduled to enroll at the institution;

(II) of the student's cost of attendance at the institution as determined under part F of this title; and

(III) of the difference between the cost of attendance of the institution and the student's estimated financial assistance received under this title and other assistance known to the institution;

(ii) disclose a borrower's ability to select a private educational lender of the borrower's choice; and

(iii) inform students about the impact of a proposed private educational loan on the students' potential eligibility for other financial assistance, including Federal financial assistance under this title.

(B) For purposes of this paragraph, the terms 'private educational lender' and 'private educational loan' have the meanings given in section 140 of the Truth in Lending Act (15 U.S.C. 1631 et seq.)."

LENDER REQUIREMENTS:

"(4) INSTITUTIONAL CERTIFICATION REQUIRED.-Before a creditor may issue any funds with respect to an extension of credit described in paragraph (1), the creditor shall obtain from the relevant institution of higher education such institution's certification of

(A) the enrollment status of the borrower;

(B) the borrower's cost of attendance at the institution as determined by the institution under part F of title IV of the Higher Education Act of 1965; and

(C) the difference between the borrower's cost of attendance and the borrower's estimated financial assistance received under title IV of the Higher Education Act of 1965 and other assistance known to the institution.