

Sen. Johnson: Introduces bipartisan bill to empower student borrowers

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WASHINGTON — Today, U.S. Senator Ron Johnson (R-WI), Joe Donnelly (D-IN), and Amy Klobuchar (D-MN) introduced the bipartisan Empowering Student Borrowers Act to help students understand the financial implications of student loans and educational debt. The legislation would require colleges and universities to send a letter to students every year detailing each student's total loan debt, projected monthly repayment amounts, and the estimated interest rate for each loan. The bill would also require the Department of Education to develop best practices for colleges and universities on useful methods to teach financial literacy skills and provide information to assist students when making financial decisions related to student borrowing.

"Students borrowing to pay for college should be fully aware of the financial obligations they are taking on," Sen. Johnson said. "Making student loan information more transparent is an important step in the right direction toward helping students make responsible borrowing decisions."

"We know that having better informed students, makes for more responsible borrowers," Derek Kindle, director of the Office of Student Financial Aid at UW-Madison, said. "Annual information to students on their borrowing, repayment and loan limits is always important. We appreciate the commitment from lawmakers, like our own Sen. Johnson, to continue this conversation and support timely and accurate student information."

Indiana and Wisconsin currently have state laws requiring colleges and universities

to send these annual letters to their students. Indiana University started the practice in 2012 and found that students significantly changed how much they borrowed after becoming more aware of their debt. According to Indiana University, from the 2011-12 academic year to 2016-17, IU students had a \$112.8 million (17%) decrease in student loans. The Wisconsin state law just went into effect for the 2017-18 academic year.

Text of the bill can be found [here](#).