

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2479 Session of
2006

INTRODUCED BY DALLY, ALLEN, BALDWIN, BARRAR, BASTIAN, BELFANTI,
BEYER, BOYD, CALTAGIRONE, CLYMER, CORNELL, CRAHALLA,
CREIGHTON, DeLUCA, FAIRCHILD, FRANKEL, FREEMAN, GEIST,
GINGRICH, GOOD, GOODMAN, GRUCELA, HARHART, HARPER, HENNESSEY,
LaGROTTA, LEDERER, MANDERINO, McGEEHAN, MELIO, MILLARD,
MUNDY, MUSTIO, MYERS, PETRARCA, PICKETT, REICHLEY, RUBLEY,
SATHER, SAYLOR, SIPTROTH, SOLOBAY, SONNEY, STABACK,
E. Z. TAYLOR, THOMAS, TIGUE AND YOUNGBLOOD, MARCH 6, 2006

REFERRED TO COMMITTEE ON EDUCATION, MARCH 6, 2006

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," providing for regulation of student
6 loan disclosure.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Article XXIII-A heading of the act of March 10,
10 1949 (P.L.30, No.14), known as the Public School Code of 1949,
11 added July 15, 2004 (P.L.722, No.82), is amended to read:

12 ARTICLE XXIII-A.

13 CREDIT CARD MARKETING AND STUDENT LOAN DISCLOSURE.

14 Section 2. Section 2301-A of the act is amended by adding a
15 paragraph to read:

16 Section 2301-A. Definitions.--For the purposes of this
17 article the following terms shall have the following meanings:

1 * * *

2 (5.1) "Private loan" shall include a loan that is not funded
3 or guaranteed by the Federal Government.

4 * * *

5 Section 3. This act is amended by adding a section to read:

6 Section 2302.1-A. Regulation of Student Loan Disclosure.--

7 (a) The board shall require an institution of higher education
8 to establish a policy for a loan originator to disclose to the
9 borrowing student a sample estimated standard loan repayment
10 schedule for a private loan incurred by the student at the time
11 of signing of a promissory note. The schedule shall indicate a
12 sample chart of the principal amount borrowed starting with five
13 thousand dollars (\$5,000) and making five thousand dollar
14 (\$5,000) increments to one hundred thousand dollars (\$100,000),
15 multiplied by an estimated annual percentage rate, including
16 fees and standard costs associated with the loan, and projected
17 capitalized interest incurred during a five (5), ten (10) and
18 fifteen (15) year period in which the student is required to
19 make repayment.

20 (b) The estimated loan repayment schedule is not required to
21 include scenarios of extended deferments, variable interest
22 rates, prepayments made by the students or any other event or
23 situation that may require the debt schedule to be extended or
24 shortened that is beyond the scope of the lender.

25 Section 4. This act shall take effect in 60 days.