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(Original Signature of Member)

119TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend the Higher Education Act of 1965 to require the Secretary of Education to develop requirements for institutions of higher education on formatting financial aid offer forms, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mrs. McCLAIN introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Higher Education Act of 1965 to require the Secretary of Education to develop requirements for institutions of higher education on formatting financial aid offer forms, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “College Financial Aid  
5       Clarity Act of 2025”.

1 **SEC. 2. FINANCIAL AID OFFERS.**

2 (a) IN GENERAL.—Part B of title I of the Higher  
3 Education Act of 1965 (20 U.S.C. 1011 et seq.) is amend-  
4 ed by adding at the end the following:

5 **“SEC. 124. FINANCIAL AID OFFERS.**

6 “(a) INSTITUTIONAL REQUIREMENTS.—

7 “(1) IN GENERAL.—Beginning on July 1, 2029,  
8 an institution of higher education that receives Fed-  
9 eral financial assistance under this Act—

10 “(A) shall—

11 “(i) for all financial aid offers (includ-  
12 ing paper, or mobile-optimized or other  
13 electronic offers), include the information  
14 (including terminology) listed in subsection  
15 (c), and meet the requirements of para-  
16 graphs (1) and (2) of subsection (d), in  
17 compliance with the requirements pub-  
18 lished pursuant to subsection (b)(2);

19 “(ii) provide the supplemental content  
20 and disclosures described in paragraph (2);  
21 and

22 “(iii) for all communications from the  
23 institution related to financial aid offers  
24 (including the supplemental content and  
25 disclosures described in paragraph (2)),

1           use the terminology referenced in sub-  
2           section (c) in a consistent manner; and

3           “(B) in the case of an electronic financial  
4           aid offer that includes a requirement that a stu-  
5           dent confirm receipt of such offer, may not con-  
6           sider such confirmation an acceptance or rejec-  
7           tion of such offer.

8           “(2) SUPPLEMENTAL CONTENT AND DISCLO-  
9           SURES.—Each institution of higher education de-  
10          scribed in paragraph (1) shall provide, in supple-  
11          mental documents or through easily accessible  
12          weblinks to the institution’s portal or a website, the  
13          following:

14               “(A) The renewability requirements and  
15               conditions under which the student can expect  
16               to receive similar amounts of financial aid that  
17               is included in the student’s financial aid offer  
18               for each award year the student is enrolled at  
19               the institution.

20               “(B) Whether the financial aid offer may  
21               change if aid from outside sources is applied  
22               after the student receives the initial financial  
23               aid offer, and, if applicable, how that financial  
24               aid offer will change.

1           “(C) If loans made under part D of title  
2           IV or other education loans offered through  
3           Federal programs are included, a disclosure  
4           that the interest rates and fees on such loans  
5           are set annually and affect total cost over time,  
6           a link to any website that includes current in-  
7           formation on interest rates and fees, and a dis-  
8           closure that such loans have to be repaid and  
9           the student can borrow an amount less than the  
10          offered loan amount.

11          “(D) A link to the College Financing Plan  
12          website of the Department (or the successor  
13          website).

14          “(3) OMISSION OF INFORMATION.—An institu-  
15          tion of higher education may omit information listed  
16          in subsection (c) or paragraph (2) of this subsection  
17          from a financial aid offer or supplemental document  
18          provided to a student, respectively, if the informa-  
19          tion—

20               “(A) relates to aid—

21                       “(i) for which the student is ineligible;

22                       or

23                       “(ii) is provided through a program

24                       with which the institution does not partici-

25                       pate; or

1 “(B) is otherwise inapplicable to the stu-  
2 dent.

3 “(b) SECRETARIAL REQUIREMENTS.—

4 “(1) REQUIREMENTS FOR INSTITUTIONS OF  
5 HIGHER EDUCATION.—

6 “(A) CONSUMER TESTING.—The Secretary  
7 shall—

8 “(i) in consultation with the heads of  
9 relevant Federal agencies, not later than 9  
10 months after the date of enactment of the  
11 College Financial Aid Clarity Act of 2025,  
12 establish a process for consumer testing,  
13 with the representatives described in sub-  
14 paragraph (B), requirements for institu-  
15 tions of higher education on formatting fi-  
16 nancial aid offers to include the informa-  
17 tion (including terminology) listed in sub-  
18 section (c), and to meet the requirements  
19 of paragraphs (1) and (2) of subsection  
20 (d), in a manner that is simple and under-  
21 standable for students and the students’  
22 families; and

23 “(ii) not later than 8 months after the  
24 process for consumer testing is established

1           pursuant to clause (i), conduct and con-  
2           clude such consumer testing.

3           “(B) REPRESENTATIVES.—The representa-  
4           tives described in this subparagraph are rep-  
5           resentatives of students (including low-income  
6           students, first generation college students, adult  
7           students, veterans, servicemembers, and pro-  
8           spective students), students’ families (including  
9           low-income families, families with first genera-  
10          tion college students, and families with prospec-  
11          tive students), institutions of higher education,  
12          secondary school and postsecondary counselors,  
13          nonprofit organizations (including scholarship-  
14          granting organizations), private lenders, and  
15          States.

16          “(C) NONAPPLICATION OF PAPERWORK  
17          REDUCTION ACT.—Subchapter I of chapter 35  
18          of title 44, United States Code, shall not apply  
19          to the consumer testing process under this sub-  
20          section.

21          “(2) PUBLICATION AND NOTICE.—Not later  
22          than July 1, 2028, the Secretary shall—

23                 “(A) publish the requirements developed  
24                 pursuant to paragraph (1)(A) on a publicly  
25                 available website; and

1 “(B) notify each institution of higher edu-  
2 cation that receives Federal financial assistance  
3 under this Act of such best practices and the  
4 requirements of subsection (a).

5 “(c) INFORMATION REQUIRED.—To comply with sub-  
6 section (a), an institution of higher education shall include  
7 the following information in any financial aid offer that  
8 is made by the institution:

9 “(1) INFORMATION FOR THE AWARD YEAR COV-  
10 ERED BY THE OFFER.—

11 “(A) AWARD YEAR INFORMATION.—The  
12 award year covered by the financial aid offer,  
13 and an explanation that the amount of financial  
14 aid offered may differ—

15 “(i) for academic periods not covered  
16 by the financial aid offer, such as a sum-  
17 mer term or future award year; and

18 “(ii) by program of study.

19 “(B) ANNUAL COST INFORMATION.—Infor-  
20 mation on the student’s estimated cost of at-  
21 tendance for the award year covered by the fi-  
22 nancial aid offer, including the following:

23 “(i) The required costs for such award  
24 year, including the academic workload used  
25 to determined such required costs.

1 “(ii) The cost of attendance for such  
2 award year.

3 “(iii) An indication, as applicable,  
4 about whether any of the items used to  
5 calculate the required costs included in  
6 clause (i) which are subject to change  
7 are—

8 “(I) estimated based on the pre-  
9 vious year; or

10 “(II) set for the award year cov-  
11 ered by the financial aid offer.

12 “(C) ANNUAL GRANTS AND SCHOLAR-  
13 SHIPS.—The amount of grant and scholarship  
14 aid for the award year covered by the financial  
15 aid offer.

16 “(D) ANNUAL NET PRICE OF ATTEND-  
17 ANCE.—

18 “(i) ANNUAL NET PRICE OF ATTEND-  
19 ANCE.—The annual net price of attendance  
20 for the award year covered by the financial  
21 aid offer.

22 “(ii) DISCLOSURE.—A disclosure that  
23 the total and annual net price of attend-  
24 ance of the student includes costs that are  
25 not required costs and is an estimate.

1           “(E) LOANS.—Information on each loan  
2           for which the student is eligible for the award  
3           year covered by the offer (including any loan  
4           disbursed by the institution, and any other loan  
5           (such as a Federal, State, or private loan)), in-  
6           cluding—

7                   “(i) the total amount of each type of  
8                   loan offered to the student;

9                   “(ii) for each loan, any applicable in-  
10                  terest rate, including any capitalization of  
11                  interest on the loan, and fees (including  
12                  origination fees and additional costs);

13                  “(iii) if applicable, information on any  
14                  loan repayment plan offered by the institu-  
15                  tion; and

16                  “(iv) a disclosure that the interest  
17                  rates and fees on such loans can affect  
18                  total cost over time, and a disclosure that  
19                  such loans have to be repaid and the stu-  
20                  dent can borrow an amount less than the  
21                  recommended loan amount.

22           “(2) GRANTS AND SCHOLARSHIPS FOR THE  
23           PROGRAM LENGTH.—The amount of grant and  
24           scholarship aid for the program length of the stu-  
25           dent’s program of study.

1           “(3) STUDENT EMPLOYMENT.—Information on  
2           work-study employment opportunities (including  
3           work-study programs under part C of title IV, insti-  
4           tutional work-study programs, or State work-study  
5           programs), including—

6                   “(A) the maximum annual amount the stu-  
7                   dent may earn through such an employment op-  
8                   portunity; and

9                   “(B) a disclosure that any amounts re-  
10                  ceived pursuant to such an employment oppor-  
11                  tunity may be—

12                           “(i) subject to the availability of quali-  
13                           fied employment opportunities upon enroll-  
14                           ment; and

15                           “(ii) disbursed over time as earned by  
16                           the student.

17           “(4) NET PRICE CALCULATOR.—A link to the  
18           universal net price calculator website described in  
19           section 132(c)(4).

20           “(5) COST INFORMATION FOR THE MOST RE-  
21           CENT AWARD YEAR.—

22                   “(A) AVERAGE ANNUAL NET PRICE RE-  
23                   QUIRED FOR COMPLETION.—Average annual  
24                   net price required for completion for the most  
25                   recent award year for the program of study.

1           “(B) TOTAL AVERAGE NET PRICE RE-  
2           QUIRED FOR COMPLETION.—The average total  
3           net price required for completion based on the  
4           time to credential for the program of study (as  
5           determined based on the most recent award  
6           year).

7           “(C) AVERAGE ANNUAL PRICE OF ATTEND-  
8           ANCE.—Average annual price of attendance for  
9           the most recent award year for the program of  
10          study.

11          “(D) TOTAL AVERAGE ANNUAL NET PRICE  
12          OF ATTENDANCE.—The average annual net  
13          price of attendance based on the time to cre-  
14          dential for the program of study (as determined  
15          based on the most recent award year)

16          “(E) DISCLOSURE.—A disclosure that the  
17          information provided in this paragraph is based  
18          on required costs and amounts of grant and  
19          scholarship aid for the most recent award year,  
20          and such information may not be applicable to  
21          the student receiving the financial aid offer.

22          “(6) PROCESS FOR ACCEPTING, ADJUSTING, OR  
23          DECLINING AID AND NEXT STEPS.—

1           “(A) DEADLINES.—The deadlines and a  
2           summary of the process (including the next  
3           steps) for—

4                   “(i) accepting the financial aid of-  
5           ferred;

6                   “(ii) adjusting the amount of aid of-  
7           ferred; and

8                   “(iii) declining the aid offered.

9           “(B) PAYMENT.—Information on when  
10          and how costs described in paragraph (1)(A)  
11          must be paid.

12          “(C) DISCLOSURE.—A disclosure that  
13          verification of information provided on the Free  
14          Application for Federal Student Aid may re-  
15          quire the student to submit further documenta-  
16          tion.

17          “(D) FINANCIAL AID INFORMATION.—In-  
18          formation about where a student or the stu-  
19          dent’s family can seek additional information  
20          regarding the financial aid offered, including  
21          contact information for the institution’s finan-  
22          cial aid office and the Department of Edu-  
23          cation’s website on financial aid.

24          “(E) COLLEGE COSTS AND STUDENT OUT-  
25          COME INFORMATION.—Information about where

1 a student or a student’s family can seek addi-  
2 tional information on college costs and student  
3 outcomes, including a link to the Department of  
4 Education’s College Scorecard website (or suc-  
5 cessor website) and how to use such website to  
6 compare information from institutions of higher  
7 education regarding such costs and outcomes.

8 “(d) FORMAT REQUIREMENTS.—

9 “(1) IN GENERAL.—To comply with subsection  
10 (a), any financial aid offer made by an institution of  
11 higher education shall be titled ‘Financial Aid Offer’,  
12 use plain language wherever possible, and format the  
13 information listed in subsection (c) in accordance  
14 with paragraph (2).

15 “(2) FORMAT OF REQUIRED INFORMATION.—

16 The information listed in subsection (c) shall be for-  
17 matted in a financial aid offer made by an institu-  
18 tion of higher education as follows:

19 “(A) The information required in subpara-  
20 graphs (A) through (E) of subsection (c)(1) is  
21 listed in such order, under separate headings,  
22 and in the same font.

23 “(B) There is a clear distinction between  
24 the required costs and any other costs of at-  
25 tendance included in such financial aid offer.

1 “(C) There is a clear distinction between  
2 the aid offered under subparagraphs (C) and  
3 (E) of subsection (c)(1), including—

4 “(i) by not combining the different  
5 types of aid described in such paragraphs;  
6 and

7 “(ii) in such subparagraph (E)—

8 “(I) by using the word ‘loan’ to  
9 clearly describe the recommended loan  
10 amounts; and

11 “(II) by clearly distinguishing be-  
12 tween subsidized and unsubsidized  
13 loans.

14 “(D) The terminology referenced in sub-  
15 section (c) is used in a consistent manner.

16 “(E) Such information is listed—

17 “(i) in a manner that ensures none of  
18 the information is inappropriately omitted  
19 or deemphasized; and

20 “(ii) in a consistent format for all fi-  
21 nancial aid offers made by such institution.

22 “(e) DEFINITIONS.—In this section:

23 “(1) REQUIRED COSTS.—The term ‘required  
24 costs’ means the sum of all the items listed in sec-  
25 tion 472(a) that are required by an institution of

1 higher education for a program of study for the pro-  
2 gram length of a program of study, for the time to  
3 credential for a student, or for an award year of a  
4 program of study, as applicable, including—

5 “(A) the tuition and fees normally assessed  
6 a student enrolled in such program of study  
7 carrying the same academic workload, as deter-  
8 mined by the institution; and

9 “(B) in a case in which the institution re-  
10 quires a student to reside in institutionally  
11 owned or operated housing or to use institution-  
12 ally owned or operated food services, the appli-  
13 cable standard allowance for such housing or  
14 food services determined by the institution in  
15 accordance with section 472(a)(5).

16 “(2) AMOUNT OF GRANT AND SCHOLARSHIP  
17 AID.—The term ‘amount of grant and scholarship  
18 aid’ means the sum of all of the grant and scholar-  
19 ship aid that is available to the student for the pro-  
20 gram length of a program of study, for the time to  
21 credential for a student, or for an award year of a  
22 program of study, as applicable, that a student does  
23 not have to repay, including need-based, merit-  
24 based, or athletic-based, or another type of grant  
25 and scholarship aid, that is—

1 “(A) offered under title IV;

2 “(B) offered through other Federal pro-  
3 grams;

4 “(C) offered by the institution;

5 “(D) offered by a State; or

6 “(E) offered by any other source.

7 “(3) NET PRICE REQUIRED FOR COMPLE-  
8 TION.—

9 “(A) NET PRICE DETERMINATIONS.—

10 “(i) TOTAL NET PRICE REQUIRED FOR  
11 COMPLETION.—The term ‘total net price  
12 required for completion’ means, with re-  
13 spect to a student in a program of study—

14 “(I) the required costs charged to  
15 such student for the program of study  
16 for the time to credential; minus

17 “(II) the amount of grant and  
18 scholarship aid that is available to the  
19 student for such program for the time  
20 to credential.

21 “(ii) ANNUAL NET PRICE REQUIRED  
22 FOR COMPLETION.—The term ‘annual net  
23 price required for completion’ means, with  
24 respect to a student in a program of  
25 study—

1 “(I) the required costs charged to  
2 such student for the program of study  
3 for an award year; minus

4 “(II) the amount of grant and  
5 scholarship aid that is available to the  
6 student for such program for such  
7 award year.

8 “(4) NET PRICE REQUIRED FOR COMPLE-  
9 TION.—

10 “(A) NET PRICE DETERMINATIONS.—

11 “(i) TOTAL NET PRICE REQUIRED FOR  
12 COMPLETION.—The term ‘total net price  
13 required for completion’ means, with re-  
14 spect to a student in a program of study—

15 “(I) the required costs charged to  
16 such student for the program of study  
17 for the time to credential; minus

18 “(II) the amount of grant and  
19 scholarship aid that is available to the  
20 student for such program for the time  
21 to credential.

22 “(ii) ANNUAL NET PRICE REQUIRED  
23 FOR COMPLETION.—The term ‘annual net  
24 price required for completion’ means, with

1                   respect to a student in a program of  
2                   study—

3                   “(I) the required costs charged to  
4                   such student for the program of study  
5                   for an award year; minus

6                   “(II) the amount of grant and  
7                   scholarship aid that is available to the  
8                   student for such program for such  
9                   award year.

10                  “(5) NET PRICE OF ATTENDANCE.—

11                  “(A) TOTAL NET PRICE OF ATTEND-  
12                  ANCE.—The term ‘total net price of attendance’  
13                  means, with respect to a student in a program  
14                  of study, the sum of—

15                  “(i) the total net price required for  
16                  completion; and

17                  “(ii) the sum, for the program length  
18                  of the program of study, of all the costs  
19                  listed in section 472(a) that are not re-  
20                  quired costs.

21                  “(B) ANNUAL NET PRICE OF ATTEND-  
22                  ANCE.—The term ‘annual net price of attend-  
23                  ance’ means, with respect to a student in a pro-  
24                  gram of study, the net price of attendance for  
25                  a specific year of the program of study, deter-

1           mined by disaggregating the total net price of  
2           attendance for the student by each year of ex-  
3           pected enrollment for the program length of the  
4           program of study.

5           “(6) PROGRAM OF STUDY.—

6                 “(A) IN GENERAL.—The term ‘program of  
7           study’—

8                 “(i) means an eligible program at an  
9           institution of higher education that is clas-  
10          sified by a combination of—

11                 “(I) one or more CIP codes; and

12                 “(II) one credential level, deter-  
13          mined by the credential awarded upon  
14          completion of the program; and

15                 “(ii) does not include a program of  
16          study abroad.

17                 “(B) CIP CODE.—The term ‘CIP code’  
18          means the six-digit taxonomic identification  
19          code assigned by an institution of higher edu-  
20          cation to a specific program of study at the in-  
21          stitution, determined by the institution of high-  
22          er education in accordance with the Classifica-  
23          tion of Instructional Programs published by the  
24          National Center for Education Statistics.

25                 “(C) CREDENTIAL LEVEL.—

1 “(i) IN GENERAL.—The term ‘ creden-  
2 tial level’ means the level of the degree or  
3 other credential awarded by an institution  
4 of higher education to students who com-  
5 plete a program of study of the institution.  
6 Each degree or other credential awarded  
7 by an institution shall be categorized by  
8 the institution as either undergraduate cre-  
9 dential level or graduate credential level.

10 “(ii) UNDERGRADUATE CREDEN-  
11 TIAL.—When used with respect to a cre-  
12 dential or credential level, the term ‘under-  
13 graduate credential’ includes credentials  
14 such as an undergraduate certificate, an  
15 associate degree, a bachelor’s degree, and a  
16 post-baccalaureate certificate (including  
17 the coursework specified in paragraphs  
18 (3)(B) and (4)(B) of section 484(b)).

19 “(iii) GRADUATE CREDENTIAL.—  
20 When used with respect to a credential or  
21 credential level, the term ‘graduate creden-  
22 tial’ includes credentials such as a master’s  
23 degree, a doctoral degree, a professional  
24 degree (as defined under section 668.2 of

1 title 34, Code of Federal Regulations), and  
2 a postgraduate certificate.

3 “(7) PROGRAM LENGTH.—The term ‘program  
4 length’ means the minimum amount of time in  
5 weeks, months, or years that is specified in the cata-  
6 log, marketing materials, or other official publica-  
7 tions of an institution of higher education for a full-  
8 time student to complete the requirements to obtain  
9 the degree or credential awarded for a specific pro-  
10 gram of study.

11 “(8) TIME TO CREDENTIAL.—The term ‘time to  
12 credential’ means, with respect to a student, the ac-  
13 tual amount of time in weeks, months, or years it  
14 takes the student to complete the requirements to  
15 obtain the degree or credential awarded for a spe-  
16 cific program of study.

17 “(9) COST OF ATTENDANCE.—The term ‘cost of  
18 attendance’ has the meaning given such term in sec-  
19 tion 472.”.

20 (b) PROGRAM PARTICIPATION AGREEMENT.—Section  
21 487 of the Higher Education Act of 1965 (20 U.S.C.  
22 1094(a)) is amended by adding at the end the following:

23 “(30) The institution will comply with the re-  
24 quirements of section 124(a).”.

1       (c) COST OF ATTENDANCE OF A PROGRAM OF  
2 STUDY.—

3           (1) DETERMINATION OF COST OF ATTENDANCE  
4 OF A PROGRAM OF STUDY.—

5           (A) IN GENERAL.—Section 472(a) of the  
6 Higher Education Act of 1965 (20 U.S.C.  
7 1087ll(a)) is amended—

8           (i) in paragraph (1), by striking “car-  
9 rying the same academic workload” and in-  
10 sserting “enrolled in the same program of  
11 study and carrying the same academic  
12 workload”;

13           (ii) in paragraph (2), by striking  
14 “same course of study” and inserting  
15 “same program of study”; and

16           (iii) in paragraph (14), by striking  
17 “program” and inserting “program of  
18 study”.

19           (2) DISCLOSURE.—Section 472(c) of the High-  
20 er Education Act of 1965 (20 U.S.C. 1087ll(c)) is  
21 amended—

22           (A) by inserting “of each program of study  
23 at the institution” after “cost of attendance”;  
24 and

1 (B) by striking “of the institution” and in-  
2 sserting “of such programs of study at the insti-  
3 tution”.