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State of Minnesota  
**HOUSE OF REPRESENTATIVES**  
EIGHTY-NINTH SESSION

**H. F. No. 1928**

03/16/2015 Authored by Pugh

The bill was read for the first time and referred to the Committee on Higher Education Policy and Finance

1.1 A bill for an act  
1.2 relating to higher education; requiring student loan entrance counseling;  
1.3 appropriating money; proposing coding for new law in Minnesota Statutes,  
1.4 chapter 136A.  
1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[136A.091] STUDENT LOAN ENTRANCE COUNSELING.**

1.7 Subdivision 1. **Applicability.** (a) This section applies to all public postsecondary  
1.8 institutions located in Minnesota and to all private postsecondary institutions located in  
1.9 Minnesota subject to registration or licensure under this chapter or chapter 141.

1.10 (b) The entrance counseling requirements in this section are in addition to any other  
1.11 entrance counseling requirements under federal law.

1.12 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have  
1.13 the meanings given.

1.14 (b) "Student borrower" means a person who obtained a student loan for purposes of  
1.15 attending a public or private postsecondary institution located in this state.

1.16 (c) "Student loan" means (1) a loan authorized under this chapter, or (2) any other  
1.17 loan made, insured, or guaranteed by an entity that is not a governmental unit or nonprofit  
1.18 institution, used by a student borrower for the actual costs of tuition, reasonable education  
1.19 expenses, and reasonable living expenses related to pursuing a degree at a public or private  
1.20 postsecondary institution located in this state.

1.21 Subd. 3. **Commissioner of Office of Higher Education; duties.** (a) The  
1.22 commissioner shall make available on the office's Web site a student loan entrance  
1.23 counseling presentation in video format. The student loan entrance counseling  
1.24 presentation must, at a minimum:

2.1 (1) explain the use and significance of a promissory note;  
2.2 (2) emphasize the seriousness and importance of the repayment obligation the  
2.3 student borrower is assuming;  
2.4 (3) describe the possible consequences of default, including, but not limited to,  
2.5 adverse credit reports, garnishment of wages, and litigation;  
2.6 (4) provide general information with respect to the average indebtedness for student  
2.7 borrowers attending public and private postsecondary institutions in this state; and  
2.8 (5) inform the student borrower of the average anticipated monthly repayment for  
2.9 those student borrowers based on the average indebtedness provided under clause (4).  
2.10 (b) In addition to the student loan entrance counseling presentation video required  
2.11 under paragraph (a), the commissioner shall make available on the office's Web site  
2.12 student loan entrance counseling materials in electronic written format that includes, but is  
2.13 not limited to, the information under paragraph (a).  
2.14 **Subd. 4. Public and private postsecondary institutions; duties.** (a) Before a  
2.15 public or private postsecondary institution releases a student borrower's first student loan  
2.16 disbursement at that institution, the public or private postsecondary institution must ensure  
2.17 that the student borrower has viewed the student loan counseling video presentation  
2.18 available on the office's Web site and has received the student loan counseling materials  
2.19 made available by the office under subdivision 3.  
2.20 (b) The student borrower must sign a statement of understanding on a form  
2.21 prescribed by the commissioner acknowledging that the student borrower has viewed,  
2.22 received, and understands the materials required to be provided under paragraph (a),  
2.23 before a private or public postsecondary institution releases the student borrower's first  
2.24 student loan disbursement.  
2.25 (c) A public or private postsecondary institution must maintain documentation  
2.26 substantiating the institution's compliance with this section for each student borrower.

2.27 **Sec. 2. APPROPRIATION; STUDENT LOAN ENTRANCE COUNSELING.**

2.28 \$..... in fiscal year 2016 is appropriated from the general fund to the commissioner  
2.29 of higher education to develop the online and printed counseling materials and the  
2.30 statement of understanding as required under section 1.