

Union Calendar No. 394

119TH CONGRESS
2^D SESSION

H. R. 6502

[Report No. 119–460]

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.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 9, 2025

Mrs. MCCLAIN (for herself and Mrs. KIM) introduced the following bill; which was referred to the Committee on Education and Workforce

JANUARY 21, 2026

Additional sponsors: Mr. NORCROSS and Mr. VINDMAN

JANUARY 21, 2026

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced December 9, 2025]

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”.*

6 **SEC. 2. FINANCIAL AID OFFERS.**

7 *(a) IN GENERAL.—Part B of title I of the Higher Edu-*
 8 *cation Act of 1965 (20 U.S.C. 1011 et seq.) is amended by*
 9 *adding at the end the following:*

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

11 **“(a) INSTITUTIONAL REQUIREMENTS.—**

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

15 **“(A) shall—**

16 **“(i) for all financial aid offers (includ-**
 17 *ing paper, or mobile-optimized or other elec-*
 18 *tronic offers), include the information (in-*
 19 *cluding terminology) listed in subsection*
 20 *(c), and meet the requirements of para-*
 21 *graphs (1) and (2) of subsection (d), in*
 22 *compliance with the requirements published*
 23 *pursuant to subsection (b)(2);*

1 “(ii) provide the supplemental content
2 and disclosures described in paragraph (2);
3 and

4 “(iii) for all communications from the
5 institution related to financial aid offers
6 (including the supplemental content and
7 disclosures described in paragraph (2)), use
8 the terminology referenced in subsection (c)
9 in a consistent manner; and

10 “(B) in the case of an electronic financial
11 aid offer that includes a requirement that a stu-
12 dent confirm receipt of such offer, may not con-
13 sider such confirmation an acceptance or rejec-
14 tion of such offer.

15 “(2) SUPPLEMENTAL CONTENT AND DISCLO-
16 SURES.—Each institution of higher education de-
17 scribed in paragraph (1) shall provide, in supple-
18 mental documents or through easily accessible links
19 on the institution’s portal or a website, the following:

20 “(A) The renewability requirements and
21 conditions under which the student can expect to
22 receive, for each award year the student is en-
23 rolled at the institution, similar amounts of fi-
24 nancial aid.

1 “(B) Whether the financial aid offer may
2 change if aid from outside sources is applied
3 after the student receives the initial financial aid
4 offer, and, if applicable, how that financial aid
5 offer will change.

6 “(C) If loans made under part D of title IV
7 or other education loans offered through Federal
8 programs are included—

9 “(i) a disclosure that the interest rates
10 and fees on such loans are set annually and
11 affect total cost over time;

12 “(ii) a link to any website that in-
13 cludes current information on interest rates
14 and fees; and

15 “(iii) a disclosure that such loans have
16 to be repaid and the student can borrow an
17 amount less than the offered loan amount.

18 “(D) A link to the College Financing Plan
19 website of the Department (or a successor
20 website).

21 “(b) SECRETARIAL REQUIREMENTS.—

22 “(1) REQUIREMENTS FOR INSTITUTIONS OF
23 HIGHER EDUCATION.—

24 “(A) CONSUMER TESTING.—The Secretary
25 shall—

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

16 “(ii) not later than 8 months after the
17 process for consumer testing is established
18 pursuant to clause (i), conduct and con-
19 clude such consumer testing.

20 “(B) REPRESENTATIVES.—The representa-
21 tives described in this subparagraph are rep-
22 resentatives of students (including low-income
23 students, first generation college students, adult
24 students, veterans, servicemembers, and prospec-
25 tive students), students’ families (including low-

income families, families with first generation college students, and families with prospective students), institutions of higher education, secondary school and postsecondary counselors, non-profit organizations (including scholarship-granting organizations), private lenders, and States.

“(C) *NONAPPLICATION OF PAPERWORK REDUCTION ACT.*—Subchapter I of chapter 35 of title 44, United States Code, shall not apply to the consumer testing process under this subsection.

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

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

“(B) notify each institution of higher education that receives Federal financial assistance under this Act of such requirements and the requirements of subsection (a).

“(3) *SAMPLE OF FINANCIAL AID OFFERS.*—Not later than July 1, 2029, and every other year thereafter, the Secretary shall, in a manner consistent with applicable Federal privacy statutes—

1 “(A) collect a random representative sample
 2 of financial aid offers made by institutions for
 3 the most recent award year; and

4 “(B) review such offers for compliance with
 5 the requirements of subsection (a)(1)(A)(i).

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

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

12 “(A) *AWARD YEAR INFORMATION.*—The pro-
 13 gram of study and the award year of such pro-
 14 gram of study covered by the financial aid offer,
 15 and an explanation that the amount of financial
 16 aid offered may differ—

17 “(i) for academic periods not covered
 18 by the financial aid offer, such as a summer
 19 term or future award year; and

20 “(ii) by program of study.

21 “(B) *ANNUAL COST INFORMATION.*—Infor-
 22 mation on the student’s estimated cost of attend-
 23 ance for the award year covered by the financial
 24 aid offer, including the following:

1 “(i) *The required costs for such award*
 2 *year, including the academic workload used*
 3 *to determined such required costs.*

4 “(ii) *The cost of attendance for such*
 5 *award year.*

6 “(iii) *An indication, as applicable,*
 7 *about whether any of the items used to cal-*
 8 *culate the required costs included in clause*
 9 *(i) are—*

10 “(I) *estimated based on the pre-*
 11 *vious year; or*

12 “(II) *set for the award year cov-*
 13 *ered by the financial aid offer.*

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

18 “(D) *ANNUAL NET PRICE.—*

19 “(i) *ANNUAL NET PRICE FOR COMPLE-*
 20 *TION.—The annual net price for completion*
 21 *for the award year covered by the financial*
 22 *aid offer, and a disclosure that such amount*
 23 *is an estimate.*

24 “(ii) *ANNUAL NET PRICE OF ATTEND-*
 25 *ANCE.—The annual net price of attendance*

1 *for the award year covered by the financial*
2 *aid offer, and a disclosure that such*
3 *amount—*

4 *“(I) includes costs that are not re-*
5 *quired costs; and*

6 *“(II) is an estimate.*

7 *“(E) LOANS.—Information on each loan for*
8 *which the student is eligible for the award year*
9 *covered by the offer (including any institutional,*
10 *Federal, State, or private loan), including—*

11 *“(i) with respect to each such loan—*

12 *“(I) the total amount offered to*
13 *the student;*

14 *“(II) any applicable interest rate,*
15 *including information on cir-*
16 *cumstances in which interest may be*
17 *capitalized on the loan, and any appli-*
18 *cable fees (including origination fees*
19 *and additional costs); and*

20 *“(III) information on any appli-*
21 *cable loan repayment assistance offered*
22 *by the institution;*

23 *“(ii) a disclosure that the interest rates*
24 *and fees on such loans can affect total cost*
25 *over time;*

1 “(iii) a disclosure that such loans have
2 to be repaid; and

3 “(iv) a disclosure that the student can
4 borrow an amount less than the offered loan
5 amount.

6 “(2) GRANTS AND SCHOLARSHIPS FOR THE PRO-
7 GRAM LENGTH.—The amount of grant and scholar-
8 ship aid for the program length of the program of
9 study for which the financial aid offer is provided.

10 “(3) STUDENT EMPLOYMENT.—Information on
11 work-study employment opportunities (including
12 work-study programs under part C of title IV, insti-
13 tutional work-study programs, or State work-study
14 programs), including—

15 “(A) the maximum annual amount the stu-
16 dent may earn through such an employment op-
17 portunity; and

18 “(B) a disclosure that any amounts received
19 pursuant to such an employment opportunity
20 may be—

21 “(i) subject to the availability of quali-
22 fied employment opportunities upon enroll-
23 ment; and

24 “(ii) disbursed over time as earned by
25 the student.

1 “(4) *NET PRICE CALCULATOR*.—A link to the
2 *universal net price calculator website described in sec-*
3 *tion 132(c)(4).*

4 “(5) *AVERAGE COSTS FOR THE MOST RECENT*
5 *AWARD YEAR*.—

6 “(A) *IN GENERAL*.—With respect to a pro-
7 *gram of study for which the financial aid offer*
8 *is provided—*

9 “(i) *for the most recent award year for*
10 *which data is available—*

11 “(I) *the average annual net price*
12 *required for completion; and*

13 “(II) *the average annual price of*
14 *attendance; and*

15 “(ii) *with respect to students who com-*
16 *pleted a credential for the program of study*
17 *during the most recent award year—*

18 “(I) *the average total net price re-*
19 *quired for completion based on the*
20 *time to credential for the program of*
21 *study; and*

22 “(II) *the average total net price of*
23 *attendance based on the time to creden-*
24 *tial for the program of study.*

1 “(B) *DISCLOSURE.*—A disclosure that the
2 information provided in subparagraph (A) is
3 based on the required costs and amounts of grant
4 and scholarship aid applicable to other students
5 for the most recent award year, and such infor-
6 mation may not be applicable to the student re-
7 ceiving the financial aid offer.

8 “(6) *PROCESS FOR ACCEPTING, ADJUSTING, OR*
9 *DECLINING AID AND NEXT STEPS.*—

10 “(A) *DEADLINES.*—The deadlines and a
11 summary of the process (including the next
12 steps) for—

13 “(i) accepting the financial aid offered;

14 “(ii) adjusting the amount of aid of-
15 ferred; and

16 “(iii) declining the aid offered.

17 “(B) *PAYMENT.*—Information on when and
18 how costs described in paragraph (1)(B) must be
19 paid.

20 “(C) *DISCLOSURE.*—A disclosure that
21 verification of information provided on the Free
22 Application for Federal Student Aid may re-
23 quire the student to submit further documenta-
24 tion.

1 “(D) *FINANCIAL AID INFORMATION.*—*Information*
 2 *about where a student or the student’s*
 3 *family can seek additional information regard-*
 4 *ing the financial aid offered, including contact*
 5 *information for the institution’s financial aid of-*
 6 *fice and a link to the Department of Education’s*
 7 *student financial aid website.*

8 “(E) *COLLEGE COSTS AND STUDENT OUT-*
 9 *COME INFORMATION.*—*Information about where*
 10 *a student or a student’s family can seek addi-*
 11 *tional information on college costs and student*
 12 *outcomes, including a link to the Department of*
 13 *Education’s College Scorecard website (or a suc-*
 14 *cessor website) and how to use such website to*
 15 *compare information from institutions of higher*
 16 *education regarding such costs and outcomes.*

17 “(d) *FORMAT REQUIREMENTS.*—

18 “(1) *IN GENERAL.*—*To comply with subsection*
 19 *(a), any financial aid offer made by an institution*
 20 *of higher education shall be titled ‘Financial Aid*
 21 *Offer’, use plain language wherever possible, and for-*
 22 *mat the information listed in subsection (c) in ac-*
 23 *cordance with paragraph (2).*

24 “(2) *FORMAT OF REQUIRED INFORMATION.*—*The*
 25 *information listed in subsection (c) shall be formatted*

1 *in a financial aid offer made by an institution of*
2 *higher education as follows:*

3 “(A) *The information required in subpara-*
4 *graphs (A) through (E) of subsection (c)(1) is*
5 *listed in such order, under separate headings,*
6 *and in the same font.*

7 “(B) *There is a clear distinction between*
8 *the required costs and any other costs of attend-*
9 *ance included in such financial aid offer.*

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

13 “(i) *by not combining the different*
14 *types of aid described in such paragraphs;*
15 *and*

16 “(ii) *in such subparagraph (E)—*

17 “(I) *by using the word ‘loan’ to*
18 *clearly describe the recommended loan*
19 *amounts; and*

20 “(II) *by clearly distinguishing be-*
21 *tween subsidized and unsubsidized*
22 *loans.*

23 “(D) *The terminology referenced in sub-*
24 *section (c) is used in a consistent manner.*

25 “(E) *Such information is listed—*

1 “(i) in a manner that ensures none of
2 the information is inappropriately omitted
3 or deemphasized; and

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

6 “(e) *DEFINITIONS.*—In this section:

7 “(1) *REQUIRED COSTS.*—The term ‘required
8 costs’ means the sum of all the items listed in section
9 472(a) that are required by an institution of higher
10 education for a program of study for the program
11 length of a program of study, for the time to creden-
12 tial for a student, or for an award year of a program
13 of study, as applicable, including—

14 “(A) the tuition and fees normally assessed
15 a student enrolled in such program of study car-
16 rying the same academic workload, as deter-
17 mined by the institution; and

18 “(B) in a case in which the institution re-
19 quires a student to reside in institutionally
20 owned or operated housing or to use institution-
21 ally owned or operated food services, the applica-
22 ble standard allowance for such housing or food
23 services determined by the institution in accord-
24 ance with section 472(a)(5).

1 “(2) *AMOUNT OF GRANT AND SCHOLARSHIP*
 2 *AID.*—*The term ‘amount of grant and scholarship*
 3 *aid’ means the sum of all of the grant and scholarship*
 4 *aid that is available to the student for the program*
 5 *length of a program of study, for the time to creden-*
 6 *tial for a student, or for an award year of a program*
 7 *of study, as applicable, that a student does not have*
 8 *to repay, including need-based, merit-based, or ath-*
 9 *letic-based, or another type of grant and scholarship*
 10 *aid, that is—*

11 “(A) *offered under title IV;*

12 “(B) *offered through other Federal pro-*
 13 *grams;*

14 “(C) *offered by the institution;*

15 “(D) *offered by a State; or*

16 “(E) *offered by any other source.*

17 “(3) *NET PRICE REQUIRED FOR COMPLETION.*—

18 “(A) *TOTAL NET PRICE REQUIRED FOR*
 19 *COMPLETION.*—*The term ‘total net price required*
 20 *for completion’ means, with respect to a student*
 21 *in a program of study—*

22 “(i) *the required costs charged to such*
 23 *student for the program of study for the*
 24 *time to credential; minus*

1 “(ii) the amount of grant and scholar-
 2 ship aid that is available to the student for
 3 such program for the time to credential.

4 “(B) ANNUAL NET PRICE REQUIRED FOR
 5 COMPLETION.—The term ‘annual net price re-
 6 quired for completion’ means, with respect to a
 7 student in a program of study—

8 “(i) the required costs charged to such
 9 student for the program of study for an
 10 award year; minus

11 “(ii) the amount of grant and scholar-
 12 ship aid that is available to the student for
 13 such program for such award year.

14 “(4) NET PRICE OF ATTENDANCE.—

15 “(A) TOTAL NET PRICE OF ATTENDANCE.—
 16 The term ‘total net price of attendance’ means,
 17 with respect to a student in a program of study,
 18 the sum of—

19 “(i) the total net price required for
 20 completion; and

21 “(ii) the sum, for the time to credential
 22 of the program of study, of all the costs list-
 23 ed in section 472(a) that are not required
 24 costs.

1 “(B) *ANNUAL NET PRICE OF ATTEND-*
 2 *ANCE.—The term ‘annual net price of attend-*
 3 *ance’ means, with respect to a student in a pro-*
 4 *gram of study, the sum of the annual net price*
 5 *required for completion for an award year and*
 6 *the costs listed in section 472(a) that are not re-*
 7 *quired costs for such award year.*

8 “(5) *PROGRAM OF STUDY.—*

9 “(A) *IN GENERAL.—The term ‘program of*
 10 *study’—*

11 “(i) *means an eligible program at an*
 12 *institution of higher education that is clas-*
 13 *sified by a combination of—*

14 “(I) *one or more CIP codes; and*

15 “(II) *one credential level, deter-*
 16 *mined by the credential awarded upon*
 17 *completion of the program; and*

18 “(ii) *does not include a program of*
 19 *study abroad.*

20 “(B) *CIP CODE.—The term ‘CIP code’*
 21 *means the six-digit taxonomic identification code*
 22 *assigned by an institution of higher education to*
 23 *a specific program of study at the institution,*
 24 *determined by the institution of higher education*
 25 *in accordance with the Classification of Instruc-*

1 *tional Programs published by the National Cen-*
2 *ter for Education Statistics.*

3 “(C) *CREDENTIAL LEVEL.*—

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

13 “(ii) *UNDERGRADUATE CREDENTIAL.*—
14 *When used with respect to a credential or*
15 *credential level, the term ‘undergraduate*
16 *credential’ includes credentials such as an*
17 *undergraduate certificate, an associate de-*
18 *gree, a bachelor’s degree, and a post-bacca-*
19 *laureate certificate (including the*
20 *coursework specified in paragraphs (3)(B)*
21 *and (4)(B) of section 484(b)).*

22 “(iii) *GRADUATE CREDENTIAL.*—*When*
23 *used with respect to a credential or creden-*
24 *tial level, the term ‘graduate credential’ in-*
25 *cludes credentials such as a master’s degree,*

1 *a doctoral degree, a professional degree (as*
 2 *defined under section 668.2 of title 34, Code*
 3 *of Federal Regulations), and a postgraduate*
 4 *certificate.*

5 “(6) *PROGRAM LENGTH.*—*The term ‘program*
 6 *length’ means the minimum amount of time in weeks,*
 7 *months, or years that is specified in the catalog, mar-*
 8 *keting materials, or other official publications of an*
 9 *institution of higher education for a full-time student*
 10 *to complete the requirements to obtain the degree or*
 11 *credential awarded for a specific program of study.*

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

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

21 “(b) *PROGRAM PARTICIPATION AGREEMENT.*—*Section*
 22 *487(a) of the Higher Education Act of 1965 (20 U.S.C.*
 23 *1094(a)) is amended by adding at the end the following:*

24 “(30) *The institution will comply with the re-*
 25 *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.*—Section 472(a) of the
5 *Higher Education Act of 1965 (20 U.S.C. 1087l(a))*
6 *is amended—*

7 (A) in paragraph (1), by striking “carrying
8 the same academic workload” and inserting “en-
9 rolled in the same program of study and car-
10 rying the same academic workload”;

11 (B) in paragraph (2), by striking “same
12 course of study” and inserting “same program of
13 study”; and

14 (C) in paragraph (14), by striking “pro-
15 gram” and inserting “program of study”.

16 (2) *DISCLOSURE.*—Section 472(c) of the *Higher*
17 *Education Act of 1965 (20 U.S.C. 1087l(c))* is
18 *amended—*

19 (A) by inserting “of each program of study
20 at the institution” after “cost of attendance”;
21 and

22 (B) by striking “of the institution” and in-
23 serting “of such programs of study at the institu-
24 tion”.

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