

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 6502
OFFERED BY MS. ADAMS OF NORTH CAROLINA**

Strike section 1 and all that follows, and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Understanding the
3 True Cost of College Act of 2025”.

4 SEC. 2. FINANCIAL AID OFFER FORM.

5 Section 484 of the Higher Education Opportunity
6 Act (20 U.S.C. 1092 note) is amended to read as follows:

7 “SEC. 484. FINANCIAL AID OFFER FORM.

8 “(a) STANDARD FORM AND TERMINOLOGY.—The
9 Secretary of Education, in consultation with the heads of
10 relevant Federal agencies, shall develop standard termi-
11 nology and a standard form for financial aid offers based
12 on recommendations from representatives of students, vet-
13 erans, servicemembers, students’ families, institutions of
14 higher education (including community colleges, for-profit
15 institutions, 4-year public institutions, and 4-year private
16 nonprofit institutions), financial aid experts, secondary
17 school and postsecondary counselors, college access profes-
18 sionals, nonprofit organizations, and consumer groups.

1 “(b) KEY REQUIRED CONTENTS FOR AID OFFER.—

2 The standard form developed pursuant to subsection (a)
3 shall be titled ‘Financial Aid Offer’ and shall include the
4 following items in a consumer-friendly manner that is sim-
5 ple and understandable, with costs listed first followed by
6 grants and scholarships, clearly separated from each other
7 with separate headings:

8 “(1) COST INFORMATION.—

9 “(A) IN GENERAL.—Information on the
10 student’s estimated cost of attendance, includ-
11 ing the following:

12 “(i) DIRECT COSTS.—The total cost of
13 all items described in section 472 of the
14 Higher Education Act of 1965 (20 U.S.C.
15 1087ll) that are billed to the student by
16 the institution or otherwise required by the
17 institution for enrollment, including such
18 total cost disaggregated by the cost of each
19 such item, including, as determined under
20 such section—

21 “(I) tuition and fees (and other
22 required expenses); and

23 “(II) housing and food for a stu-
24 dent participating in institutionally
25 owned or operated food services or in-

1 stitutionally owned or operated hous-
2 ing.

3 “(ii) INDIRECT COSTS.—The total cost
4 of all items described in section 472 of the
5 Higher Education Act of 1965 (20 U.S.C.
6 10871l) that are not billed to the student
7 by the institution or otherwise required by
8 the institution for enrollment, including
9 such total cost disaggregated by the cost of
10 each such item, including, as determined
11 under such section—

12 “(I) the component totals each
13 for housing and food costs for stu-
14 dents who reside off-campus or off
15 campus with family;

16 “(II) books, supplies, equipment,
17 course materials, and rental or pur-
18 chase of a personal computer; and

19 “(III) transportation.

20 “(B) ACADEMIC PERIOD.—The academic
21 period covered by the Financial Aid Offer, and
22 an explanation that the amount of financial aid
23 offered may change—

24 “(i) for academic periods not covered
25 by the Financial Aid Offer; or

1 “(ii) by program.

2 “(C) ENROLLMENT STATUS.—An indica-
3 tion of whether cost and aid estimates are
4 based on full-time or part-time enrollment.

5 “(D) ESTIMATED OR SET.—An indication,
6 as applicable, about whether the tuition and
7 fees are estimated based on the previous year,
8 or are set, for the academic period indicated in
9 accordance with subparagraph (B).

10 “(2) GRANTS AND SCHOLARSHIPS.—The aggre-
11 gate amount of grants and scholarships, differen-
12 tiated by source, that the student does not have to
13 repay, such as grant aid offered under title IV of the
14 Higher Education Act of 1965 (20 U.S.C. 1070 et
15 seq.) and grant aid offered through other Federal
16 programs, grant and scholarship aid offered by the
17 institution, grant and scholarship aid offered by the
18 State, and, if known, grant and scholarship aid from
19 an outside source to the student for such academic
20 period, including—

21 “(A) a disclosure that the grants and
22 scholarships do not have to be repaid; and

23 “(B) if institutional aid is included—

24 “(i) the conditions under which the
25 student can expect to receive similar

1 amounts of such financial aid for each aca-
2 demic period the student is enrolled at the
3 institution; and

4 “(ii) whether the institutional aid
5 offer may change if grants or scholarships
6 from outside sources are applied after the
7 student receives the Financial Aid Offer,
8 and, if applicable, how that aid will
9 change.

10 “(3) NET PRICE.—

11 “(A) IN GENERAL.—The net price that the
12 student, or the student’s family on behalf of the
13 student, is estimated to have to pay for the stu-
14 dent to attend the institution for such academic
15 period, equal to—

16 “(i) the cost of attendance as de-
17 scribed in paragraph (1)(A) for the stu-
18 dent for the period indicated in paragraph
19 (1)(B); minus

20 “(ii) the amount of grant and scholar-
21 ship aid described in paragraph (2) that is
22 included in the Financial Aid Offer.

23 “(B) DISCLOSURE.—A disclosure that the
24 net price is an estimate of the total expenses

1 for the year and not equivalent to the amount
2 the student will owe directly to the institution.

3 “(4) LOANS.—

4 “(A) IN GENERAL.—Information on any
5 loan under part D of title IV of the Higher
6 Education Act of 1965 (20 U.S.C. 1087a et
7 seq.) (except a Federal Direct PLUS Loan
8 under part D of that Act) that the institution
9 recommends for the student for the academic
10 period covered by the Financial Aid Offer,
11 which shall be made—

12 “(i) with clear use of the word ‘loan’
13 to describe the recommended loan
14 amounts; and

15 “(ii) with clear labeling of subsidized
16 and unsubsidized loans.

17 “(B) DISCLOSURE ON REPAYMENT.—A
18 disclosure that such loans have to be repaid and
19 a disclosure that the student can borrow a less-
20 er or, if applicable, greater amount than the
21 recommended loan amount.

22 “(C) DISCLOSURE ON INTEREST RATES
23 AND FEES.—A disclosure that the interest rates
24 and fees on such loans are set annually and af-
25 fect total cost over time, and a link to a De-

1 partment of Education website that includes
2 current information on interest rates and fees.

3 “(D) LINK TO REPAYMENT CALCU-
4 LATOR.—A link to the Department of Edu-
5 cation’s repayment calculator website for stu-
6 dents with instruction that this website contains
7 customizable estimates of expected repayment
8 costs under different loan repayment plans.

9 “(5) PROCESS FOR ACCEPTING, ADJUSTING, OR
10 DECLINING AID AND NEXT STEPS.—

11 “(A) IN GENERAL.—The deadlines and a
12 summary of the process (including the next
13 steps) for—

14 “(i) accepting the financial aid of-
15 fered;

16 “(ii) adjusting the amount of financial
17 aid offered; and

18 “(iii) declining the financial aid of-
19 fered.

20 “(B) INFORMATION ON PAYING COSTS.—

21 Information on when and how costs described
22 in paragraph (1)(A)(i) must be paid, including
23 a clear indication of whether such cost is re-
24 quired or optional for the student.

1 “(C) DISCLOSURE ON VERIFICATION OF
2 INFORMATION.—A disclosure that verification
3 of information provided on the Free Application
4 for Federal Student Aid may require the stu-
5 dent to submit further documentation.

6 “(D) CONTACT INFORMATION.—Informa-
7 tion about where a student or the student’s
8 family can seek additional information regard-
9 ing the financial aid offered, including contact
10 information for the institution’s financial aid of-
11 fice and the Department of Education’s website
12 on financial aid.

13 “(6) ADDITIONAL INFORMATION.—Any other
14 information the Secretary of Education, in consulta-
15 tion with the heads of relevant Federal agencies, in-
16 cluding the Secretary of the Treasury and the Direc-
17 tor of the Bureau of Consumer Financial Protection,
18 determines necessary (based on the results of the
19 consumer testing under subsection (g)(2)) so that
20 students and parents can make informed loan bor-
21 rowing decisions, which may include—

22 “(A) the most recent cohort default rate,
23 as defined in section 435(m) of the Higher
24 Education Act of 1965 (20 U.S.C. 1085(m)),
25 with respect to an institution where more than

1 30 percent of enrolled students borrow loans to
2 pay for their education, and a comparison to
3 the national average cohort default rate;

4 “(B) the percentage of students at the in-
5 stitution who borrow student loans;

6 “(C) the median loan debt at graduation
7 for students at the institution (clearly marked
8 as including only Federal loans if private loan
9 data are not available to be included); and

10 “(D) any additional calculations deter-
11 mined necessary for ensuring that students un-
12 derstand full college costs, financial aid gaps,
13 and options for covering those gaps.

14 “(c) OTHER REQUIRED CONTENTS FOR FINANCIAL
15 AID OFFER.—The standard form developed under sub-
16 section (a) shall include, in addition to the information
17 described in subsection (b), to be included on the Finan-
18 cial Aid Offer in a concise format determined by the Sec-
19 retary of Education, in consultation with the heads of rel-
20 evant Federal agencies and the individuals and entities de-
21 scribed in subsection (a), the following information:

22 “(1) ADDITIONAL OPTIONS.—At the institu-
23 tion’s discretion—

24 “(A) additional options and potential re-
25 sources for paying for the amount listed in sub-

1 section (b)(3), such as tuition payment plans
2 and the terms and conditions of those plans;
3 and

4 “(B) a disclosure that Federal Direct
5 PLUS Loans made under part D of title IV of
6 the Higher Education Act of 1965 (20 U.S.C.
7 1087a et seq.), private education loans, or other
8 financing products may be available to cover re-
9 maining need, except that the institution—

10 “(i) may not include an amount for
11 such Federal Direct PLUS Loans, private
12 education loans, or other financing prod-
13 ucts; and

14 “(ii) shall include a disclosure that
15 such loans and agreements—

16 “(I) are subject to an additional
17 application process and have to be re-
18 paid by the borrower;

19 “(II) may not be eligible for all
20 the benefits available for Federal Di-
21 rect Stafford Loans or Federal Direct
22 Unsubsidized Stafford Loans.

23 “(2) INFORMATION ON PRIVATE EDUCATION
24 LOANS AND OTHER FINANCING PRODUCTS.—The fol-

1 lowing information relating to private education
2 loans and other financing products:

3 “(A) A disclosure that students consid-
4 ering borrowing to cover the cost of attendance
5 should consider available Federal student loans
6 prior to applying for private education loans or
7 other financing products, including an expla-
8 nation that Federal student loans offer gen-
9 erally more favorable terms and beneficial re-
10 payment options than private education loans
11 and other financing products.

12 “(B) The impact of a proposed private
13 education loan or other financing product on
14 the student’s potential eligibility for other fi-
15 nancial assistance, including Federal financial
16 assistance under title IV of the Higher Edu-
17 cation Act of 1965 (20 U.S.C. 1070 et seq.).

18 “(C) A statement explaining the student’s
19 ability to select a private educational lender or
20 other financing product provider of the stu-
21 dent’s choice.

22 “(3) STUDENT EMPLOYMENT.—Information on
23 work-study employment opportunities offered in ac-
24 cordance with part C of title IV of the Higher Edu-
25 cation Act of 1965 (20 U.S.C. 1087–51 et seq.), in-

stitutional work-study programs, or State work-study programs, including—

“(A) the maximum annual amount the student may earn through the program; and

“(B) a disclosure that any work-study amount offered may be—

“(i) subject to the availability of qualified employment opportunities upon the student’s enrollment; and

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

“(d) ADDITIONAL REQUIREMENTS FOR FINANCIAL AID OFFERS.—Each Financial Aid Offer shall meet the following requirements:

“(1) Include, in addition to the requirements described in subsections (b) and (c), a concise summary, in plain language, of—

“(A) the terms and conditions of financial aid recommended under paragraphs (2) and (4) of subsection (b) and subsection (c)(3), and a method to provide students with additional information about such terms and conditions, such as links to the supplementary information; and

1 “(B) Federal, State, or institutional condi-
2 tions required to receive and renew financial aid
3 and a method to provide students with addi-
4 tional information about these conditions, such
5 as links to the supplementary information.

6 “(2) Clearly distinguish between the aid offered
7 under paragraphs (2) and (4) of subsection (b) and
8 subsection (c)(3), by including a subtotal for the aid
9 offered in each of such paragraphs and by refraining
10 from commingling the different types of aid de-
11 scribed in such paragraphs.

12 “(3) Use standard terminology and definitions,
13 as described in subsection (e)(1) and use plain lan-
14 guage where possible.

15 “(4) If an institution’s recommended Federal
16 student loan aid offered in subsection (b)(4) is less
17 than the Federal maximum available to the student,
18 the institution shall provide additional information
19 on Federal student loans, including the types and
20 amounts for which the student is eligible in an at-
21 tached document or web page.

22 “(5) Use the standard offer form described in
23 subsection (e)(2).

24 “(6) Include the standardized statement regard-
25 ing the possible availability of Federal education

1 benefits, as established by the Secretary in accord-
2 ance with subsection (e)(3).

3 “(7) Include a delivery confirmation for elec-
4 tronic Financial Aid Offers, except that receipt of
5 the Financial Aid Offer shall not be considered an
6 acceptance or rejection of aid by the student.

7 “(8) With respect to dependent students, any
8 reference to private education loans shall be accom-
9 panied by—

10 “(A) information about the availability of,
11 and terms and conditions associated with, Fed-
12 eral Direct PLUS Loans under section 455 of
13 the Higher Education Act of 1965 (20 U.S.C.
14 1087e) for the student’s parents regardless of
15 family income; and

16 “(B) a notification of the student’s in-
17 creased eligibility for Federal student loans
18 under title IV of the Higher Education Act of
19 1965 (20 U.S.C. 1070 et seq.) if the student’s
20 parents are not able to borrow under the Fed-
21 eral Direct PLUS Loan program.

22 “(e) STANDARD INFORMATION ESTABLISHED BY
23 THE SECRETARY.—

24 “(1) STANDARD TERMINOLOGY AND DEFINI-
25 TIONS.—Not later than 3 months after the date of

1 enactment of the Understanding the True Cost of
2 College Act of 2025, the Secretary of Education, in
3 consultation with the heads of relevant Federal
4 agencies, including the Secretary of the Treasury
5 and the Director of the Consumer Financial Protec-
6 tion Bureau, and the individuals and entities de-
7 scribed in subsection (a), shall establish standard
8 terminology and definitions for the terms described
9 in subsection (b).

10 “(2) STANDARD FORM.—

11 “(A) IN GENERAL.—The Secretary of Edu-
12 cation shall develop multiple draft financial aid
13 offer forms for consumer testing, carry out con-
14 sumer testing for such forms, and establish a fi-
15 nalized standard financial aid offer form, in ac-
16 cordance with the process established under
17 subsection (g) and the requirements of this sec-
18 tion.

19 “(B) SEPARATE FINANCIAL AID OFFER
20 FORMS.—The Secretary may develop separate
21 financial aid offer forms for—

22 “(i) undergraduate students and grad-
23 uate students; and

24 “(ii) first-time students and returning
25 students.

1 “(3) ADDITIONAL BENEFITS.—The Secretary of
2 Education, in consultation with the heads of relevant
3 Federal agencies, including the Secretary of the
4 Treasury, the Secretary of Veterans Affairs, the Sec-
5 retary of Defense, and the Director of the Consumer
6 Financial Protection Bureau, shall establish stand-
7 ard language notifying students that they may be el-
8 igible for education benefits (and where students can
9 locate more information about such benefits) includ-
10 ing benefits in accordance with each of the following:

11 “(A) Chapter 30, 31, 32, 33, 34, or 35 of
12 title 38, United States Code.

13 “(B) Chapter 101, 105, 106A, 1606, 1607,
14 or 1608 of title 10, United States Code.

15 “(C) Section 1784a, 2005, or 2007 of title
16 10, United States Code.

17 “(f) SUPPLEMENTAL INFORMATION; REMOVAL OF
18 INFORMATION.—

19 “(1) SUPPLEMENTAL INFORMATION.—Nothing
20 in this section shall preclude an institution from
21 supplementing the Financial Aid Offer with addi-
22 tional information if such additional information uti-
23 lizes the same standard terminology identified in
24 subsection (e)(1) and does not misrepresent costs, fi-
25 nancial aid offered, or net price.

1 “(2) REMOVAL OF INFORMATION.—Nothing in
2 this section shall preclude an institution from delet-
3 ing a required item on a Financial Aid Offer if—

4 “(A) the student is ineligible for such item;

5 “(B) the institution does not participate in
6 the program related to such item; or

7 “(C) the cost of attendance item is not ap-
8 plicable to the student.

9 “(g) DEVELOPMENT OF FINANCIAL AID OFFER
10 FORM.—

11 “(1) DRAFT FORM.—Not later than 9 months
12 after the date of enactment of the Understanding
13 the True Cost of College Act of 2025, the Secretary
14 of Education, in consultation with the heads of rel-
15 evant Federal agencies, including the Secretary of
16 the Treasury and the Director of the Consumer Fi-
17 nancial Protection Bureau, and the individuals and
18 entities described in subsection (a), shall design and
19 produce multiple draft financial aid offer forms for
20 consumer testing with postsecondary students or
21 prospective students. In developing that form, the
22 Secretary shall ensure—

23 “(A) that the headings described in para-
24 graphs (1) through (4) of subsection (b) are in
25 the same font, appear in the same order, and

1 are displayed prominently on the financial aid
2 offer form, such that none of that information
3 is inappropriately omitted or de-emphasized;

4 “(B) that the other information required
5 in subsection (b) appears in a standard format
6 and design on the Financial Aid Offer; and

7 “(C) that the institution may include a
8 logo or brand alongside the title of the Finan-
9 cial Aid Offer.

10 “(2) CONSUMER TESTING.—

11 “(A) IN GENERAL.—Not later than 9
12 months after the date of enactment of the Un-
13 derstanding the True Cost of College Act of
14 2025, the Secretary of Education, in consulta-
15 tion with the heads of relevant Federal agen-
16 cies, shall establish a process to submit the fi-
17 nancial aid offer form drafts developed under
18 paragraph (1) for consumer testing among rep-
19 resentatives of students (including low-income
20 students, first-generation college students, adult
21 students, veterans, servicemembers, and pro-
22 spective students), students’ families (including
23 low-income families, families with first-genera-
24 tion college students, and families with prospec-
25 tive students), institutions of higher education,

1 secondary school and postsecondary counselors,
2 and nonprofit consumer groups.

3 “(B) PILOT.—During such consumer test-
4 ing, the Secretary shall ensure that not less
5 than 16 and not more than 24 eligible institu-
6 tions use the draft forms developed under para-
7 graph (1), including institutions—

8 “(i) that reflect a proportionate rep-
9 resentation (based on the total number of
10 students enrolled in postsecondary edu-
11 cation) of community colleges, for-profit
12 institutions, 4-year public institutions, and
13 4-year private nonprofit institutions; and

14 “(ii) that reflect geographic diversity.

15 “(C) LENGTH OF CONSUMER TESTING.—
16 The Secretary of Education shall ensure that
17 the consumer testing under this paragraph lasts
18 no longer than 8 months after the process for
19 consumer testing is developed under subpara-
20 graph (A).

21 “(3) FINAL FORM.—

22 “(A) IN GENERAL.—The results of con-
23 sumer testing under paragraph (2) shall be
24 used in the final development of the financial
25 aid offer form.

1 “(B) REPORTING REQUIREMENT.—Not
2 later than 3 months after the date the con-
3 sumer testing under paragraph (2) concludes,
4 the Secretary of Education shall submit to Con-
5 gress and publish on its website the final stand-
6 ard financial aid offer form and a report detail-
7 ing the results of such testing, including wheth-
8 er the Secretary of Education added any addi-
9 tional items to the standard financial aid offer
10 form pursuant to subsection (b)(6).

11 “(4) AUTHORITY TO MODIFY.—The Secretary
12 of Education may modify or remove the definitions,
13 terms, formatting, or design of the financial aid
14 offer form based on the results of consumer testing
15 required under this subsection and before finalizing
16 the form, or in subsequent consumer testing. The
17 Secretary may also recommend additional changes to
18 Congress.”.

19 **SEC. 3. MANDATORY FORM.**

20 Part B of title I of the Higher Education Act of 1965
21 (20 U.S.C. 1011 et seq.) is amended by adding at the end
22 the following:

1 **“SEC. 124. USE OF MANDATORY FINANCIAL AID OFFER**
2 **FORM AND TERMS.**

3 “(a) IN GENERAL.—Notwithstanding any other pro-
4 vision of law, each institution of higher education that re-
5 ceives Federal financial assistance under this Act shall—

6 “(1) use the financial aid offer form developed
7 under section 484 of the Higher Education Oppor-
8 tunity Act (20 U.S.C. 1092 note) in providing
9 paper, mobile-optimized offers, or other electronic of-
10 fers to all students who apply for aid and are accept-
11 ed at the institution; and

12 “(2) use the standard terminology and defini-
13 tions developed by the Secretary of Education under
14 subsection (e)(1) of such section 484 for all commu-
15 nications from the institution related to Financial
16 Aid Offers.

17 “(b) EFFECTIVE DATES.—The requirements under
18 this section shall take effect at the start of the first award
19 year after the Secretary of Education finalizes the stand-
20 ard terminology and form developed in accordance with
21 section 484 of the Higher Education Opportunity Act (20
22 U.S.C. 1092 note).

23 “(c) ADMINISTRATIVE PROCEDURES.—Section 492
24 shall not apply with respect to regulations promulgated
25 in accordance with this section.”.

