

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
**TO H.R. 6502**  
**OFFERED BY MRS. MCCLAIN OF MICHIGAN**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

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

**4 SEC. 2. FINANCIAL AID OFFERS.**

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

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

9       “(a) INSTITUTIONAL REQUIREMENTS.—

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

13           “(A) shall—

14           “(i) for all financial aid offers (includ-  
15 ing paper, or mobile-optimized or other  
16 electronic offers), include the information  
17 (including terminology) listed in subsection  
18 (c), and meet the requirements of para-

1 graphs (1) and (2) of subsection (d), in  
2 compliance with the requirements pub-  
3 lished pursuant to subsection (b)(2);

4 “(ii) provide the supplemental content  
5 and disclosures described in paragraph (2);  
6 and

7 “(iii) for all communications from the  
8 institution related to financial aid offers  
9 (including the supplemental content and  
10 disclosures described in paragraph (2)),  
11 use the terminology referenced in sub-  
12 section (c) in a consistent manner; and

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

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

23 “(A) The renewability requirements and  
24 conditions under which the student can expect  
25 to receive, for each award year the student is

1 enrolled at the institution, similar amounts of  
2 financial aid.

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

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

11 “(i) a disclosure that the interest  
12 rates and fees on such loans are set annu-  
13 ally and affect total cost over time;

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

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

21 “(D) A link to the College Financing Plan  
22 website of the Department (or a successor  
23 website).

24 “(b) SECRETARIAL REQUIREMENTS.—

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

3           “(A) CONSUMER TESTING.—The Secretary  
4       shall—

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

20           “(ii) not later than 8 months after the  
21      process for consumer testing is established  
22      pursuant to clause (i), conduct and con-  
23      clude such consumer testing.

24           “(B) REPRESENTATIVES.—The representa-  
25      tives described in this subparagraph are rep-

1           representatives of students (including low-income  
2           students, first generation college students, adult  
3           students, veterans, servicemembers, and pro-  
4           spective students), students' families (including  
5           low-income families, families with first genera-  
6           tion college students, and families with prospec-  
7           tive students), institutions of higher education,  
8           secondary school and postsecondary counselors,  
9           nonprofit organizations (including scholarship-  
10          granting organizations), private lenders, and  
11          States.

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

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

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

22                         “(B) notify each institution of higher edu-  
23           cation that receives Federal financial assistance  
24           under this Act of such requirements and the re-  
25           quirements of subsection (a).

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

5                   “(A) collect a random representative sam-  
6                   ple of financial aid offers made by institutions  
7                   for the most recent award year; and

8                   “(B) review such offers for compliance  
9                   with the requirements of subsection  
10                  (a)(1)(A)(i).

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

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

17                   “(A) AWARD YEAR INFORMATION.—The  
18                   program of study and the award year of such  
19                   program of study covered by the financial aid  
20                   offer, and an explanation that the amount of fi-  
21                   nancial aid offered may differ—

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

25                           “(ii) by program of study.

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

5 “(i) The required costs for such award  
6 year, including the academic workload used  
7 to determined such required costs.

8 “(ii) The cost of attendance for such  
9 award year.

10 “(iii) An indication, as applicable,  
11 about whether any of the items used to  
12 calculate the required costs included in  
13 clause (i) are—

14 “(I) estimated based on the pre-  
15 vious year; or

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

18 “(C) ANNUAL GRANTS AND SCHOLAR-  
19 SHIPS.—The amount of grant and scholarship  
20 aid for the award year covered by the financial  
21 aid offer.

22 “(D) ANNUAL NET PRICE.—

23 “(i) ANNUAL NET PRICE FOR COM-  
24 PLETION.—The annual net price for com-  
25 pletion for the award year covered by the

1 financial aid offer, and a disclosure that  
2 such amount is an estimate.

3 “(ii) ANNUAL NET PRICE OF ATTEND-  
4 ANCE.—The annual net price of attendance  
5 for the award year covered by the financial  
6 aid offer, and a disclosure that such  
7 amount—

8 “(I) includes costs that are not  
9 required costs; and

10 “(II) is an estimate.

11 “(E) LOANS.—Information on each loan  
12 for which the student is eligible for the award  
13 year covered by the offer (including any institu-  
14 tional, Federal, State, or private loan), includ-  
15 ing—

16 “(i) with respect to each such loan—

17 “(I) the total amount offered to  
18 the student;

19 “(II) any applicable interest rate,  
20 including information on cir-  
21 cumstances in which interest may be  
22 capitalized on the loan, and any appli-  
23 cable fees (including origination fees  
24 and additional costs);



1 “(III) information on any appli-  
2 cable loan repayment assistance of-  
3 fered by the institution;

4 “(ii) a disclosure that the interest  
5 rates and fees on such loans can affect  
6 total cost over time;

7 “(iii) a disclosure that such loans have  
8 to be repaid; and

9 “(iv) a disclosure that the student can  
10 borrow an amount less than the offered  
11 loan amount.

12 “(2) GRANTS AND SCHOLARSHIPS FOR THE  
13 PROGRAM LENGTH.—The amount of grant and  
14 scholarship aid for the program length of the pro-  
15 gram of study for which the financial aid offer is  
16 provided.

17 “(3) STUDENT EMPLOYMENT.—Information on  
18 work-study employment opportunities (including  
19 work-study programs under part C of title IV, insti-  
20 tutional work-study programs, or State work-study  
21 programs), including—

22 “(A) the maximum annual amount the stu-  
23 dent may earn through such an employment op-  
24 portunity; and

1 “(B) a disclosure that any amounts re-  
2 ceived pursuant to such an employment oppor-  
3 tunity may be—

4 “(i) subject to the availability of quali-  
5 fied employment opportunities upon enroll-  
6 ment; and

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

9 “(4) NET PRICE CALCULATOR.—A link to the  
10 universal net price calculator website described in  
11 section 132(c)(4).

12 “(5) AVERAGE COSTS FOR THE MOST RECENT  
13 AWARD YEAR.—

14 “(A) IN GENERAL.—With respect to a pro-  
15 gram of study for which the financial aid offer  
16 is provided—

17 “(i) for the most recent award year  
18 for which data is available—

19 “(I) the average annual net price  
20 required for completion; and

21 “(II) the average annual price of  
22 attendance; and

23 “(ii) with respect to students who  
24 completed a credential for the program of  
25 study during the most recent award year—

1 “(I) the average total net price  
2 required for completion based on the  
3 time to credential for the program of  
4 study; and

5 “(II) the average total net price  
6 of attendance based on the time to  
7 credential for the program of study.

8 “(B) DISCLOSURE.—A disclosure that the  
9 information provided in subparagraph (A) is  
10 based on the required costs and amounts of  
11 grant and scholarship aid applicable to other  
12 students for the most recent award year, and  
13 such information may not be applicable to the  
14 student receiving the financial aid offer.

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

17 “(A) DEADLINES.—The deadlines and a  
18 summary of the process (including the next  
19 steps) for—

20 “(i) accepting the financial aid of-  
21 fered;

22 “(ii) adjusting the amount of aid of-  
23 fered; and

24 “(iii) declining the aid offered.

1           “(B) PAYMENT.—Information on when  
2           and how costs described in paragraph (1)(B)  
3           must be paid.

4           “(C) DISCLOSURE.—A disclosure that  
5           verification of information provided on the Free  
6           Application for Federal Student Aid may re-  
7           quire the student to submit further documenta-  
8           tion.

9           “(D) FINANCIAL AID INFORMATION.—In-  
10          formation about where a student or the stu-  
11          dent’s family can seek additional information  
12          regarding the financial aid offered, including  
13          contact information for the institution’s finan-  
14          cial aid office and a link to the Department of  
15          Education’s student financial aid website.

16          “(E) COLLEGE COSTS AND STUDENT OUT-  
17          COME INFORMATION.—Information about where  
18          a student or a student’s family can seek addi-  
19          tional information on college costs and student  
20          outcomes, including a link to the Department of  
21          Education’s College Scorecard website (or a  
22          successor website) and how to use such website  
23          to compare information from institutions of  
24          higher education regarding such costs and out-  
25          comes.

1 “(d) FORMAT REQUIREMENTS.—

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

8 “(2) FORMAT OF REQUIRED INFORMATION.—

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

12 “(A) The information required in subpara-  
13 graphs (A) through (E) of subsection (c)(1) is  
14 listed in such order, under separate headings,  
15 and in the same font.

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

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

22 “(i) by not combining the different  
23 types of aid described in such paragraphs;  
24 and

25 “(ii) in such subparagraph (E)—

1 “(I) by using the word ‘loan’ to  
2 clearly describe the recommended loan  
3 amounts; and

4 “(II) by clearly distinguishing be-  
5 tween subsidized and unsubsidized  
6 loans.

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

9 “(E) Such information is listed—

10 “(i) in a manner that ensures none of  
11 the information is inappropriately omitted  
12 or deemphasized; and

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

15 “(e) DEFINITIONS.—In this section:

16 “(1) REQUIRED COSTS.—The term ‘required  
17 costs’ means the sum of all the items listed in sec-  
18 tion 472(a) that are required by an institution of  
19 higher education for a program of study 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, including—

23 “(A) the tuition and fees normally assessed  
24 a student enrolled in such program of study

1 carrying the same academic workload, as deter-  
2 mined by the institution; and

3 “(B) in a case in which the institution re-  
4 quires a student to reside in institutionally  
5 owned or operated housing or to use institution-  
6 ally owned or operated food services, the appli-  
7 cable standard allowance for such housing or  
8 food services determined by the institution in  
9 accordance with section 472(a)(5).

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

20 “(A) offered under title IV;

21 “(B) offered through other Federal pro-  
22 grams;

23 “(C) offered by the institution;

24 “(D) offered by a State; or

25 “(E) offered by any other source.

1           “(3) NET PRICE REQUIRED FOR COMPLE-  
2           TION.—

3           “(A) NET PRICE DETERMINATIONS.—

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

8                   “(I) the required costs charged to  
9                   such student for the program of study  
10                  for the time to credential; minus

11                   “(II) the amount of grant and  
12                   scholarship aid that is available to the  
13                   student for such program for the time  
14                   to credential.

15           “(ii) ANNUAL NET PRICE REQUIRED  
16           FOR COMPLETION.—The term ‘annual net  
17           price required for completion’ means, with  
18           respect to a student in a program of  
19           study—

20                   “(I) the required costs charged to  
21                   such student for the program of study  
22                   for an award year; minus

23                   “(II) the amount of grant and  
24                   scholarship aid that is available to the



1 student for such program for such  
2 award year.

3 “(4) NET PRICE OF ATTENDANCE.—

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

8 “(i) the total net price required for  
9 completion; and

10 “(ii) the sum, for the time to creden-  
11 tial of the program of study, of all the  
12 costs listed in section 472(a) that are not  
13 required costs.

14 “(B) ANNUAL NET PRICE OF ATTEND-  
15 ANCE.—The term ‘annual net price of attend-  
16 ance’ means, with respect to a student in a pro-  
17 gram of study, the sum of the annual net price  
18 required for completion for an award year and  
19 the costs listed in section 472(a) that are not  
20 required costs for such award year.

21 “(5) PROGRAM OF STUDY.—

22 “(A) IN GENERAL.—The term ‘program of  
23 study’—

1 “(i) means an eligible program at an  
2 institution of higher education that is clas-  
3 sified by a combination of—

4 “(I) one or more CIP codes; and  
5 “(II) one credential level, deter-  
6 mined by the credential awarded upon  
7 completion of the program; and

8 “(ii) does not include a program of  
9 study abroad.

10 “(B) CIP CODE.—The term ‘CIP code’  
11 means the six-digit taxonomic identification  
12 code assigned by an institution of higher edu-  
13 cation to a specific program of study at the in-  
14 stitution, determined by the institution of high-  
15 er education in accordance with the Classifica-  
16 tion of Instructional Programs published by the  
17 National Center for Education Statistics.

18 “(C) CREDENTIAL LEVEL.—

19 “(i) IN GENERAL.—The term ‘ creden-  
20 tial level’ means the level of the degree or  
21 other credential awarded by an institution  
22 of higher education to students who com-  
23 plete a program of study of the institution.  
24 Each degree or other credential awarded  
25 by an institution shall be categorized by

1 the institution as either undergraduate cre-  
2 dential level or graduate credential level.

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

12 “(iii) GRADUATE CREDENTIAL.—  
13 When used with respect to a credential or  
14 credential level, the term ‘graduate creden-  
15 tial’ includes credentials such as a master’s  
16 degree, a doctoral degree, a professional  
17 degree (as defined under section 668.2 of  
18 title 34, Code of Federal Regulations), and  
19 a postgraduate certificate.

20 “(6) PROGRAM LENGTH.—The term ‘program  
21 length’ means the minimum amount of time in  
22 weeks, months, or years that is specified in the cata-  
23 log, marketing materials, or other official publica-  
24 tions of an institution of higher education for a full-  
25 time student to complete the requirements to obtain

1 the degree or credential awarded for a specific pro-  
2 gram of study.

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

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

12 (b) PROGRAM PARTICIPATION AGREEMENT.—Section  
13 487 of the Higher Education Act of 1965 (20 U.S.C.  
14 1094(a)) is amended by adding at the end the following:

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

17 (c) COST OF ATTENDANCE OF A PROGRAM OF  
18 STUDY.—

19 (1) DETERMINATION OF COST OF ATTENDANCE  
20 OF A PROGRAM OF STUDY.—

21 (A) IN GENERAL.—Section 472(a) of the  
22 Higher Education Act of 1965 (20 U.S.C.  
23 1087ll(a)) is amended—

24 (i) in paragraph (1), by striking “car-  
25 rying the same academic workload” and in-

1           serting “enrolled in the same program of  
2           study and carrying the same academic  
3           workload”;

4           (ii) in paragraph (2), by striking  
5           “same course of study” and inserting  
6           “same program of study”; and

7           (iii) in paragraph (14), by striking  
8           “program” and inserting “program of  
9           study”.

10           (2) DISCLOSURE.—Section 472(c) of the High-  
11           er Education Act of 1965 (20 U.S.C. 1087l(c)) is  
12           amended—

13           (A) by inserting “of each program of study  
14           at the institution” after “cost of attendance”;  
15           and

16           (B) by striking “of the institution” and in-  
17           serting “of such programs of study at the insti-  
18           tution”.

