

Press Release

FEDERAL RESERVE press release



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For immediate release

The Federal Reserve Board on Wednesday proposed amendments to Regulation Z (Truth in Lending) that would revise the disclosure requirements for private education loans.

The amendments implement provisions of the Higher Education Opportunity Act (HEOA), which was signed into law on August 14, 2008. Under the amendments, creditors that extend private education loans would provide disclosures about loan terms and features on or with the loan application and would also have to disclose information about federal student loan programs that may offer less costly alternatives. Additional disclosures would have to be provided when the loan is approved and when the loan is consummated. The Board is also proposing model disclosure forms that creditors could use to comply with the new disclosure requirements.

The new disclosure requirements would apply to loans made expressly for postsecondary educational expenses but would not apply where educational expenses are funded by credit card advances, or real-estate-secured loans. In addition, the proposal does not apply to education loans made, insured, or guaranteed by the federal government, which are subject to disclosure rules issued by the Department of Education.

The Board's proposal also implements the HEOA's restrictions on using the name, emblem, or mascot of an educational institution in a way that implies that the institution endorses the creditor's loans.

The public comment period ends 60 days after publication of the proposed amendments in the Federal Register, which is expected shortly.

The Board's notice is attached.

[Draft Federal Register notice \(398 KB PDF\)](#)

Model forms and samples:

- [H-18 \(286 KB PDF\)](#) Private education loan application and solicitation model form
- [H-19 \(289 KB PDF\)](#) Private education loan approval model form
- [H-20 \(279 KB PDF\)](#) Private education loan final model form
- [H-21 \(288 KB PDF\)](#) Private education loan application and solicitation sample
- [H-22 \(286 KB PDF\)](#) Private education loan approval sample
- [H-23 \(286 KB PDF\)](#) Private education loan final sample

[Consumer Research and Testing for Private Education Loans \(2 MB PDF\)](#)

