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UNDERSTANDING THE TRUE COST OF COLLEGE ACT

With college tuition continuing to skyrocket, it is more important than ever to ensure that students have the information they need when deciding where to go to college. Unfortunately, students and their families often struggle to accurately compare financial aid offers because each institution uses its own terminology, abbreviations and acronyms to describe different types of aid in their financial aid offer forms. Even more concerning, the [GAO has found](#) that over 90% of colleges understate the total price students will pay to attend the institution. Students use this information to make one of the largest financial decisions of their lives, and it is vital that students are fully informed about their choice.

We must make it easier for students and their families to understand financial aid offers by establishing a clear method to compare college costs. The bipartisan and bicameral *Understanding the True Cost of College Act* would require colleges to use uniform financial aid offer forms and develop standard definitions that would be used in all financial award letters.

Specifically, the *Understanding the True Cost of College Act* would:

- Require institutions of higher education to use a uniform financial aid offer form.
- Establish basic minimums of information that must be included on page one of the uniform financial aid offer form, including: cost of attendance; grant aid; the net amount a student is responsible for paying after subtracting grant aid; work study assistance; eligible amounts of federal student loans; information on calculating the costs of repaying student loans; disclosures related to private loans and parent loans, treatment of scholarships; and the terms and conditions of federal financial aid.
- Call on the Department of Education to work with colleges, consumer groups, students, and school guidance counselors to develop standard definitions of various financial aid terms for use in the uniform financial aid offer forms.
- Require the Department of Education to establish a process to consumer test the uniform financial aid offer form and use the results from the consumer testing in the final development of the uniform financial aid offer form.