

## Private Educational Loan Disclosures

In accordance with 34 CFR 668.14(b)(29)(ii), an institution must, upon the request of the applicant, discuss the availability of Federal, State, and institutional financial aid. Financial Aid staff members at the Culinary Institute of America are happy to discuss with students and prospective students, and their parents, the financial aid options available to them. Students and parents may qualify for loans or other assistance under Title IV of the Higher Education Act programs. The terms and conditions of Title IV HEA program loans may be more favorable than the provisions of private educational loans.

The Higher Education Opportunity Act of 2008 (Pub. L. 110-35) (HEOA) added section 128(e)(3) to the TILA to require that before a private educational lender may consummate a private education loan for a student in attendance at an institution of higher education, the private education lender must obtain the completed and signed Self-Certification Form from the applicant.

Please click here for the [Private Education Loan Self-Certification Form](#).

Information Required under Sec. 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e))

e) TERMS AND DISCLOSURE WITH RESPECT TO PRIVATE EDUCATION LOANS.–

(1) DISCLOSURES REQUIRED IN PRIVATE EDUCATION LOAN APPLICATIONS AND SOLICITATIONS.–In any application for a private education loan, or a solicitation for a private education loan without requiring an application, the private educational lender shall disclose to the borrower, clearly and conspicuously–

- (A) the potential range of rates of interest applicable to the private education loan;
- (B) whether the rate of interest applicable to the private education loan is fixed or variable;
- (C) limitations on interest rate adjustments, both in terms of frequency and amount, or the lack thereof, if applicable;
- (D) requirements for a co-borrower, including any changes in the applicable interest rates without a co-borrower;
- (E) potential finance charges, late fees, penalties, and adjustments to principal, based on defaults or late payments of the borrower;
- (F) fees or range of fees applicable to the private education loan;
- (G) the term of the private education loan;
- (H) whether interest will accrue while the student to whom the private education loan relates is enrolled at a covered educational institution;
- (I) payment deferral options;
- (J) general eligibility criteria for the private education loan;
- (K) an example of the total cost of the private education loan over the life of the loan–
  - (i) which shall be calculated using the principal amount and the maximum rate of interest actually offered by the private educational lender; and
  - (ii) calculated both with and without capitalization of interest, if an option exists for postponing interest payments; the private educational lender may provide) following the date on which the application for the private education loan is approved and the borrower receives the disclosure documents required under this subsection for the loan; and
- (L) that a covered educational institution may have school-specific education loan benefits and terms not detailed on the disclosure form;

(Q) that the consumer may obtain additional information concerning such Federal student financial assistance from their institution of higher education, or at the website of the Department of Education; and

(R) such other information as the Board shall prescribe, by rule, as necessary or appropriate for consumers to make informed borrowing decisions.

(2) DISCLOSURES AT THE TIME OF PRIVATE EDUCATION LOAN APPROVAL.—Contemporaneously with the approval of a private education loan application, and before the loan transaction is consummated, the private educational lender shall disclose to the borrower, clearly and conspicuously—

(A) the applicable rate of interest in effect on the date of approval;

(B) whether the rate of interest applicable to the private educational loan is fixed or variable;

(C) limitations on interest rate adjustments, both in terms of frequency and amount, or the lack thereof, if applicable;

(D) the

(A) MODEL FORM.—Not later than two years after the date of enactment of this subsection, the Board shall, based on consumer testing, and in consultation with the Secretary of Education, develop and issue model forms that may be used, at the option of the private educational lender, for the provision of disclosures required under this subsection.

(B) FORMAT.—Model forms developed under this paragraph shall—

(i) be comprehensible to borrowers, with a clear format and design;

(ii) provide for clear and conspicuous disclosures;

(iii) enable borrowers easily to identify material terms of the loan and to compare such terms among private education loans; and

(iv) be succinct, and use an easily readable type font.

(C) SAFE HARBOR.—Any private educational lender that elects to provide a model form developed under this subsection that accurately reflects the practices of the private educational lender shall be deemed to be in compliance with the disclosures required under this subsection.

(6) EFFECTIVE PERIOD OF APPROVED RATE OF INTEREST AND LOAN TERMS.—

(A) IN GENERAL.—With respect to a private education loan, the borrower shall have the right to accept the terms of the loan and consummate the transaction at any time within 30 calendar days (or such longer period as the private educational lender may provide) following the date on which the application for the private education loan is approved and the borrower receives the disclosure documents required under this subsection for the loan, and the rates and terms of the loan may not be changed by the private educational lender during that period.