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Understanding the True Cost of College Act

The Understanding the True Cost of College Act requires standard terminology and a universal format to assist students and their families, colleges and universities, and secondary school and postsecondary counselors to make informed decisions about the real cost of college and reverse the trend of taking on staggering student debt. Financial aid transparency is a step towards greater access and opportunity for all students by making it clear to students and their families what the actual cost of college will be before they decide which school to attend.

In our work with students and their families, IECA's members witness firsthand the difficulty in interpreting financial aid offers. Standardizing financial aid offers is a step towards making informed decisions about the true cost of college and reversing the trend of staggering student debt.

Sponsor the Understanding the True Cost of College Act to:

- Equip families with clear, consistent information regarding the cost of college
- Bring clarity to an otherwise confusing and complex process
- Standardize financial aid offer forms so that students and families can make informed decisions about where to attend college
- Establish basic minimums of information presented on page one of a uniform financial aid offer form to take stress out of a stressful process
- Help students and families make decisions that ensure they do not take on unnecessary debt and reverse the trend of staggering student debt
- Increase access to higher education for families of all income levels

According to a December 2022 Government Accountability Office report:

- 91% of colleges understate the total cost of college
- 65% of colleges leave out important details about aid packages
- 31% of colleges list loans as grants
- Most colleges are not "following best practices for providing clear and standard information in their financial aid offers."
- Despite the Department of Education developing a template that can be used for students to compare offers, a study of 176 colleges and universities showed that most were not using the recommended template.

The Understanding the True Cost of College Act was introduced during the 118th Congress by U.S. Representatives Young Kim (CA-40), Raja Krishnamoorthi (IL-08), and Josh Gottheimer (NJ-05) in the House and Senators Chuck Grassley (R-IA) and Tina Smith (D-MN) in the Senate.

IECA supports the reintroduction of the Understanding the True Cost of College Act.