

Fiscal Estimate - 2019 Session

Original Updated Corrected Supplemental

LRB Number **19-0278/2** Introduction Number **SB-444**

Description
student loans, creating an authority to be known as the Wisconsin Student Loan Refinancing Authority, granting rule-making authority, and making an appropriation

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
 - Increase Existing Revenues
 - Decrease Existing Revenues
 - Increase Costs - May be possible to absorb within agency's budget
 - Yes
 - No
 - Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
 - 1. Increase Costs Permissive Mandatory
 - 2. Decrease Costs Permissive Mandatory
 - 3. Increase Revenue Permissive Mandatory
 - 4. Decrease Revenue Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected Affected Ch. 20 Appropriations

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Fiscal Estimate Narratives
UWS 9/27/2019

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Description student loans, creating an authority to be known as the Wisconsin Student Loan Refinancing Authority, granting rule-making authority, and making an appropriation		

Assumptions Used in Arriving at Fiscal Estimate

The bill would create a student loan refinancing authority with a governing board, tasked with developing and implementing a loan program under which state residents may refinance student loans.

The bill would require the Department of Financial Institutions to compile data related to private student loans for the purpose of comparing private lending institutions' student loan interest rates and repayment plans. The bill would require an institution of higher education to create on its Internet site a link to this site.

The bill would require UWS institutions to provide to prospective students and parents information pertaining to:

1. The total cost of attendance.
2. The total amount of financial aid that the student would receive, and the total amount of student loan debt that the student would accumulate, over the course of four years.
3. Student loan rates, repayment plans, default rates, and the actual monthly payment that would be required to pay that student loan debt when the loan becomes due.

The bill would require any institution of higher education in this state that offers an associate degree or higher to provide loan counseling for its students.

The bill would require that when the student leaves an institution, that institution must provide a student with available loan repayment plans, debt management strategies, options for prepayment of loans, and the consequences of defaulting on a loan.

The bill would authorize an institution of higher education to assess a lender a fee of up to \$50 to defray the cost of the student counseling required under the bill.

Long-Range Fiscal Implications

Additional staff and resources may be required, but the fiscal impact is unclear until program guidelines are established for this program.