



COMMONWEALTH of VIRGINIA
STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
James Monroe Building, 101 North Fourteenth Street, Richmond, VA 23219

Peter Blake
Director

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MEMORANDUM

TO: Providers of Private Education Loans to Students Attending Virginia Institutions of Higher Education

FROM: Peter Blake, Director

DATE: May 5, 2021

SUBJECT: Guidance Document for Private Loan Disclosures

In order to comply with the Code of Virginia, providers of private education loans to students attending an institution of higher education in Virginia must provide information to the student prior to issuing the loan. The Office of the Qualified Education Loan Ombudsman at the State Council of Higher Education for Virginia (SCHEV) created this guidance document for lenders and educational institutions in order to ensure compliance with the following statute:

§ 23.1-233.1. Qualified education loans; certain providers; contact information and summary.

Any provider of private education loans, as defined in 12 C.F.R. § 1026.46(b)(5), shall disclose to any student attending an institution of higher education in the Commonwealth, prior to issuing a qualified education loan to such student, the contact information for the Office of the Qualified Education Loan Ombudsman and a summary of the student loan information applicable to private education loans that may be found on the Council's website. Any such disclosure may be made in conjunction with or incorporated into another disclosure to such student prior to issuing the qualified education loan. The summary shall be developed by the Office of the Qualified Education Loan Ombudsman in consultation with relevant stakeholders. (Effective July 1, 2021)

This summer, SCHEV will launch an online education loan course with a variety of topics related to financing higher education, starting with the initial steps for obtaining eligibility for financial aid and finishing with loan repayment strategies and troubleshooting. One of the modules will provide interactive information as it relates to private education loans. Once the content is active, a direct link taking borrowers to the module will be provided to lenders and educational institutions as part of the private education loan disclosure requirement. In the interim, we developed a dedicated page on SCHEV's website to provide a starting point for students. The link is schev.edu/privateloan.

Below is some suggested language for private education loan documents that meet the requirements of the statute:

Private education loans are one tool that students use to finance their education. Your lender and your institution's Financial Aid Office provide assistance with eligibility for the loans. For borrowers who have existing private education loans, Virginia has a Student Loan Advocate to assist borrowers who are struggling with repayment. You can contact the Student Loan Advocate at: State Council of Higher Education for Virginia, James Monroe Building, 10th Floor, 101 N. 14th Street, Richmond, VA 23219; studentloan@schev.edu; 804-786-2832. In addition, resources for prospective and current private education loan borrowers are available online at schev.edu/privateloan.

The office requests that the disclosure is made in conjunction with or incorporated into the application and solicitation disclosure (ASD) and the approval disclosure (AD). The lender can use their own discretion for placement of the disclosure in other places, such as the final disclosure (FD) and the lenders website.

If you have any questions or concerns about the private loan disclosure, please contact Scott Kemp, Student Loan Advocate at scottkemp@schev.edu or 804-786-2832.