

### 117TH CONGRESS 2D SESSION

# H. R. 7729

To require the Student Loan Ombudsman of the Department of Education to provide student loan data to the Bureau of Consumer Financial Protection, and for other purposes.

## IN THE HOUSE OF REPRESENTATIVES

May 11, 2022

Ms. Porter (for herself, Ms. Bonamici, Mrs. Carolyn B. Maloney of New York, Mr. Sarbanes, Ms. Pressley, Ms. Velázquez, Mrs. Hayes, and Ms. Omar) introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

# A BILL

To require the Student Loan Ombudsman of the Department of Education to provide student loan data to the Bureau of Consumer Financial Protection, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "CFPB Student Loan
- 5 Integrity and Transparency Act of 2022".

#### SEC. 2. FINDINGS.

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2	Congress finds the following:

- 3 (1) The total amount of outstanding student 4 loans just surpassed \$1,500,000,000,000.
- 5 (2) Student loans are the biggest category of 6 consumer borrowing after mortgages.
- 7 (3) Since the Consumer Financial Protection 8 Act of 2010 (12 U.S.C. 5481 et seq.) established the 9 Consumer Financial Protection Bureau, the Bureau 10 has fought to ensure families receive a fair shake as 11 they strive for the American Dream.
  - (4) The Consumer Financial Protection Act of 2010 created a Student Loan Ombudsman at the Consumer Financial Protection Bureau. In 2011, the Consumer Financial Protection Bureau established an Office for Students and Young Consumers, led by the Student Loan Ombudsman, to assist students who are mistreated or misled by predatory lenders.
  - (5) Since its creation, the Office of Students and Young Consumers, led by the Student Loan Ombudsman, has defended military families in the United States from predatory lenders and for-profit colleges, and other unscrupulous businesses.
- 25 (6) The Office of Students and Young Con-26 sumers helped tens of thousands of active-duty mili-

- tary service members who were being overcharged for student loans, and coordinating with the United States Justice Department, succeeded in returning \$60,000,000 to the service members, and required the industry to improve its practices.
  - (7) The Office of Students and Young Consumers has collected and analyzed hundreds of thousands of student complaints.
  - (8) The Office of Students and Young Consumers has recovered more than \$750,000,000 on behalf of defrauded students.
  - (9) The Office of Students and Young Consumers has been instrumental in the shutdown of for-profit universities and colleges that had been accused of predatory practices.
  - (10) The Office of Students and Young Consumers collected data and authored a report that showed large banks overcharged college students fees that were higher than many of their competitors. The report remained unpublished by the Administration until a recent FOIA request opened it to the public.
  - (11) The Department of Education Office of Inspector General released a concerning report on February 12, 2019, that highlighted the alarming

1	frequency at which student loan contractors and
2	vendors engaged in noncompliance with Federal re-
3	quirements for servicing student loans.
4	SEC. 3. DEPARTMENT OF EDUCATION STUDENT LOAN IN-
5	FORMATION.
6	Section 141(f)(3) of the Higher Education Act of
7	1965 (20 U.S.C. 1018(f)(3)) is amended—
8	(1) by redesignating subparagraphs (A) and
9	(B) as subparagraphs (B) and (C), respectively; and
10	(2) by inserting before subparagraph (B) the
11	following:
12	"(A) provide information relating to stu-
13	dent loans to the Director of the Consumer Fi-
14	nancial Protection Bureau or the ombudsman
15	of the Consumer Financial Protection Bureau
16	designated under section 1035 of the Consumer
17	Financial Protection Act of 2010 (12 U.S.C.
18	5535) as requested by the Director of the Con-
19	sumer Financial Protection Bureau or that om-
20	budsman;".
21	SEC. 4. STUDENT LOAN CONTRACTOR AND VENDOR AGREE-
22	MENTS.
23	Part G of title IV of the Higher Education Act of
24	1965 (20 U.S.C. 1088 et seq.) is amended by inserting
25	after section 486A the following:

# 1 "SEC. 486B. CONTRACTOR AND VENDOR AGREEMENTS.

2	"The Secretary shall not enter into an agreement
3	with a contractor or vendor that services loans under this
4	title unless, as part of that agreement, such contractor or
5	vendor asserts that the contractor or vendor will provide
6	information to the Director of the Consumer Financial
7	Protection Bureau or the ombudsman of the Consumer Fi-
8	nancial Protection Bureau designated under section 1035
9	of the Consumer Financial Protection Act of 2010 (12
10	U.S.C. 5535) as requested by the Director of the Con-
11	sumer Financial Protection Bureau or that ombudsman.".
12	SEC. 5. DUTY TO PROVIDE ADEQUATE STAFFING; MEMO-
13	RANDA OF UNDERSTANDING.
14	(a) Duty To Provide Adequate Staffing.—Sec-
15	tion 1013(a)(1) of the Consumer Financial Protection Act
16	of 2010 (12 U.S.C. 5493(a)(1)) is amended by adding at
17	the end the following:
18	"(D) DUTY TO PROVIDE ADEQUATE
19	STAFFING.—Notwithstanding subparagraph
20	(A), the Director shall ensure that each specific
21	functional unit and office described under sub-
	rancolonal and office described ander sub-
22	sections (b), (c), (d), (e), and (g) and any other
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	sections (b), (c), (d), (e), and (g) and any other
23	sections (b), (c), (d), (e), and (g) and any other unit and office with supervisory and enforce-

# (b) Memoranda of Understanding.—

- (1) Reestablishment of Memoranda of understanding between the Bureau of Consumer Financial Protection and the Department of Education entitled "Memorandum of Understanding Between the Bureau of Consumer Financial Protection and the U.S. Department of Education Concerning the Sharing of Information" (October 19, 2011) and "Memorandum of Understanding Concerning Supervisory and Oversight Cooperation and Related Information Sharing Between the U.S. Department of Education and the Consumer Financial Protection Bureau" (January 9, 2014)—

  (A) shall remain in effect and may not be
  - (A) shall remain in effect and may not be terminated by any party to such memoranda; and
  - (B) may only be amended or revised if the parties to the memoranda determine that such amendment or revision would promote better interagency coordination to the benefit of consumers.
- (2) REPORT ON CURRENT MOUS.—Not later than the end of the 30-day period beginning on the date of enactment of this Act, the Director of the

1	Bureau of Consumer Financial Protection shall sub-
2	mit to the Committee on Banking, Housing, and
3	Urban Affairs of the Senate and the Committee on
4	Financial Services of the House of Representatives
5	a report listing—
6	(A) each memorandum of understanding in
7	effect on November 24, 2017, to which the Bu-
8	reau of Consumer Financial Protection was a
9	party;
10	(B) any changes made to a memorandum
11	described in subparagraph (A) after November
12	24, 2017, including any memorandum of under-
13	standing rescinded since that date; and
14	(C) a justification for each change or re-
15	scission described in subparagraph (B).
16	(3) Semi-annual report on mous.—Section
17	1016(c) of the Consumer Financial Protection Act
18	of 2010 (12 U.S.C. 5496(c)) is amended—
19	(A) in paragraph (8), by striking "and" at
20	the end;
21	(B) in paragraph (9), by striking the pe-
22	riod at the end and inserting a semicolon; and
23	(C) by adding at the end the following:

1	"(10) a list of each memorandum of under-
2	standing in effect, as of the date on which the report
3	is submitted, to which the Bureau is a party;
4	"(11) any changes made to a memorandum of
5	understanding to which the Bureau is a party after
6	the date on which the previous report required under
7	subsection (b) was submitted; and
8	"(12) a justification for each change described
9	in paragraph (11).".

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