

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”.

1 **SEC. 2. FINDINGS.**

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.

12 (4) The Consumer Financial Protection Act of
13 2010 created a Student Loan Ombudsman at the
14 Consumer Financial Protection Bureau. In 2011,
15 the Consumer Financial Protection Bureau estab-
16 lished an Office for Students and Young Consumers,
17 led by the Student Loan Ombudsman, to assist stu-
18 dents who are mistreated or misled by predatory
19 lenders.

20 (5) Since its creation, the Office of Students
21 and Young Consumers, led by the Student Loan
22 Ombudsman, has defended military families in the
23 United States from predatory lenders and for-profit
24 colleges, and other unscrupulous businesses.

25 (6) The Office of Students and Young Con-
26 sumers helped tens of thousands of active-duty mili-

1 tary service members who were being overcharged
2 for student loans, and coordinating with the United
3 States Justice Department, succeeded in returning
4 \$60,000,000 to the service members, and required
5 the industry to improve its practices.

6 (7) The Office of Students and Young Con-
7 sumers has collected and analyzed hundreds of thou-
8 sands of student complaints.

9 (8) The Office of Students and Young Con-
10 sumers has recovered more than \$750,000,000 on
11 behalf of defrauded students.

12 (9) The Office of Students and Young Con-
13 sumers has been instrumental in the shutdown of
14 for-profit universities and colleges that had been ac-
15 cused of predatory practices.

16 (10) The Office of Students and Young Con-
17 sumers collected data and authored a report that
18 showed large banks overcharged college students fees
19 that were higher than many of their competitors.
20 The report remained unpublished by the Administra-
21 tion until a recent FOIA request opened it to the
22 public.

23 (11) The Department of Education Office of
24 Inspector General released a concerning report on
25 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-
22 sections (b), (c), (d), (e), and (g) and any other
23 unit and office with supervisory and enforce-
24 ment duties, is provided with sufficient staff to
25 carry out the functions, duties, and coordina-
26 tion of that unit or office, as applicable.”.

1 (b) MEMORANDA OF UNDERSTANDING.—

2 (1) REESTABLISHMENT OF MEMORANDA OF UN-
3 DERSTANDING.—The memoranda of understanding
4 between the Bureau of Consumer Financial Protec-
5 tion and the Department of Education entitled
6 “Memorandum of Understanding Between the Bu-
7 reau of Consumer Financial Protection and the U.S.
8 Department of Education Concerning the Sharing of
9 Information” (October 19, 2011) and “Memo-
10 randum of Understanding Concerning Supervisory
11 and Oversight Cooperation and Related Information
12 Sharing Between the U.S. Department of Education
13 and the Consumer Financial Protection Bureau”
14 (January 9, 2014)—

15 (A) shall remain in effect and may not be
16 terminated by any party to such memoranda;
17 and

18 (B) may only be amended or revised if the
19 parties to the memoranda determine that such
20 amendment or revision would promote better
21 interagency coordination to the benefit of con-
22 sumers.

23 (2) REPORT ON CURRENT MOUS.—Not later
24 than the end of the 30-day period beginning on the
25 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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