

118TH CONGRESS
2D SESSION

H. R. 7359

To provide a framework for the Bureau of Consumer Financial Protection and the Department of Education to coordinate in providing assistance to and serving borrowers seeking to resolve complaints related to their private education or Federal student loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 2024

Ms. PORTER (for herself, Ms. BONAMICI, Mr. SARBANES, and Mrs. HAYES) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committees on Financial Services, and Ways and Means, 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 provide a framework for the Bureau of Consumer Financial Protection and the Department of Education to coordinate in providing assistance to and serving borrowers seeking to resolve complaints related to their private education or Federal student loans, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “CFPB Student Loan
3 Integrity and Transparency Act”.

4 **SEC. 2. DEFINITIONS.**

5 In this Act:

6 (1) AGENCY.—The term “agency” means the
7 Bureau or the Department, as applicable, and the
8 term “agencies” means both the Bureau and the
9 Department.

10 (2) BUREAU.—The term “Bureau” means the
11 Bureau of Consumer Financial Protection.

12 (3) COMPLAINT.—The term “complaint” means
13 a comment, inquiry, or request for assistance from
14 a student loan borrower.

15 (4) DEPARTMENT.—The term “Department”
16 means the Department of Education.

17 (5) DIRECTOR.—The term “Director” means
18 the Director of the Bureau.

19 (6) FEDERAL CONSUMER FINANCIAL LAW.—
20 The term “Federal consumer financial law” has the
21 meaning given that term under section 1002 of the
22 Consumer Financial Protection Act of 2010 (12
23 U.S.C. 5481).

24 (7) INSTITUTION OF HIGHER EDUCATION.—The
25 term “institution of higher education” has the

1 meaning given that term under section 102 of the
2 Higher Education Act of 1965 (20 U.S.C. 1002).

3 (8) NONPUBLIC INFORMATION.—The term
4 “nonpublic information” means—

5 (A) confidential information, as such term
6 is defined under section 1070.2 of title 12,
7 Code of Federal Regulations;

8 (B) any information collected by the De-
9 partment from persons engaged in student fi-
10 nancial services activities pursuant to the De-
11 partment’s oversight and other authorities that
12 is not publicly available; and

13 (C) the name, address, or other personally
14 identifiable information relating to any con-
15 sumer, including any information so designated
16 by a provider of information.

17 (9) PRIVATE EDUCATION LOAN.—The term
18 “private education loan” has the meaning given that
19 term under section 140(a) of the Truth in Lending
20 Act (15 U.S.C. 1650(a)).

21 (10) PROVIDER.—With respect to information
22 shared between the agencies, the term “provider”
23 means the agency providing the information to the
24 other agency.

1 (11) RECEIVER.—With respect to information
2 shared between the agencies, the term “receiver”
3 means the agency receiving the information from the
4 other agency.

5 (12) SECRETARY.—The term “Secretary”
6 means the Secretary of Education.

7 (13) STUDENT FINANCIAL SERVICES.—The
8 term “student financial services” means consumer
9 financial products or services (as defined under sec-
10 tion 1002 of the Consumer Financial Protection Act
11 of 2010 (12 U.S.C. 5481)) that are related to stu-
12 dents of institutions of higher education, including
13 student loan origination and student loan servicing.

14 (14) TITLE IV LOANS.—The term “title IV
15 loans” means loans made, insured, or guaranteed
16 under title IV of the Higher Education Act of 1965.

17 **SEC. 3. COOPERATION BETWEEN THE BUREAU AND THE**
18 **DEPARTMENT.**

19 (a) IN GENERAL.—The Director and the Secretary
20 shall—

21 (1) establish points of contact between the Bu-
22 reau and the Department with respect to Bureau su-
23 pervision and Department oversight matters that are
24 of common jurisdiction to both the Bureau and the
25 Department;

1 (2) share with each other the Bureau's schedule
2 of examinations and the Department's schedule of
3 reviews of persons engaged in offering or providing
4 student financial services that are subject to the Bu-
5 reau's supervisory authority and the Department's
6 oversight authority;

7 (3) coordinate the Bureau's supervision activi-
8 ties and the Department's oversight activities to pro-
9 mote the efficient use of resources;

10 (4) meet at least quarterly to discuss observa-
11 tions about the nature of complaints received by the
12 Bureau and the Department, characteristics of bor-
13 rowers, and available information about resolution of
14 complaints, as well as analysis and recommenda-
15 tions; and

16 (5) work to ensure the Bureau and the Depart-
17 ment understand the respective reporting categories
18 and definitions of each agency and how such cat-
19 egories and definition relate to each other for com-
20 parison.

21 (b) SHARING OF INFORMATION.—

22 (1) BUREAU ACCESS TO DEPARTMENT DATA-
23 BASES.—For the purpose of the Bureau's congress-
24 sional reporting, research, market analysis, com-
25 plaint resolution, enforcement, supervision, financial

1 education, engagement, and rulemaking needs, the
2 Secretary shall work with the Bureau to provide the
3 Bureau with access to Department databases, as ap-
4 plicable.

5 (2) CONSUMER COMPLAINTS.—

6 (A) BUREAU ACCESS TO DEPARTMENT
7 CONSUMER COMPLAINTS.—The Director may
8 request and obtain information from the Sec-
9 retary concerning consumer complaints and
10 other information pertaining to specific entities
11 or classes of entities that are relevant to the ex-
12 ercise of the Bureau’s supervisory, enforcement,
13 or regulatory functions.

14 (B) SHARING OF STUDENT LOAN BOR-
15 ROWER COMPLAINTS.—

16 (i) IN GENERAL.—The Director and
17 the Secretary shall transfer each complaint
18 received by their agency from student loan
19 borrowers to the other agency.

20 (ii) DEADLINE FOR SHARING CERTAIN
21 COMPLAINTS.—With respect to a complaint
22 received by the Bureau related to the origi-
23 nation, disbursement, or servicing of a title
24 IV loan or a complaint received by the De-
25 partment related to a private education

1 loan, the applicable agency shall direct the
2 complaint to the other agency within 10
3 days of receipt of the complaint.

4 (C) ADDRESSING COMPLAINTS RELATED
5 TO DEFAULTED TITLE IV LOANS.—The Director
6 and the Secretary shall establish an efficient
7 collaborative process to address complaints re-
8 ceived by the Bureau about private collection
9 agency actions related to defaulted title IV
10 loans.

11 (D) STANDARDS FOR THE FORMAT AND
12 SHARING OF COMPLAINT DATA.—

13 (i) FORMAT.—In providing complaint
14 data described under this paragraph, the
15 Director and the Secretary shall provide
16 the complaint data in a secure, digital for-
17 mat.

18 (ii) PROCESS.—The Director and the
19 Secretary shall establish an efficient, se-
20 cure, and legally compliant process to pro-
21 vide complaint data.

22 (3) CERTAIN TAX RETURN INFORMATION.—Sec-
23 tion 6103(l)(13)(D) of the Internal Revenue Code of
24 1986 is amended by adding at the end the following:

1 “(vii) REDISCLOSURE TO THE BU-
2 REAU OF CONSUMER FINANCIAL PROTEC-
3 TION.—Authorized persons may redisclose
4 return information received under subpara-
5 graph (C) to the Director of the Bureau of
6 Consumer Financial Protection to the ex-
7 tent necessary to carry out the oversight
8 activities of the Bureau of Consumer Fi-
9 nancial Protection.”.

10 (4) OTHER INFORMATION.—In addition to the
11 information permitted to be shared under this sec-
12 tion, the Director and the Secretary may share any
13 other information with each other as the Director
14 and the Secretary determine appropriate.

15 (5) AMENDMENT TO TITLE 5.—Section 552a(b)
16 of title 5, United States Code, is amended—

17 (A) in paragraph (11), by striking “or” at
18 the end;

19 (B) in paragraph (12), by striking the pe-
20 riod at the end and inserting “; or”; and

21 (C) by adding at the end the following:

22 “(13) a disclosure between the Secretary of
23 Education and the Director of the Bureau of Con-
24 sumer Financial Protection authorized under the

1 CFPB Student Loan Integrity and Transparency
2 Act.”.

3 (6) DATA PRIVACY.—

4 (A) MEMORANDUM OF UNDERSTANDING.—

5 The Director and the Secretary shall enter into
6 one or more memoranda of understanding to
7 address data privacy issues related to informa-
8 tion shared between the Bureau and the De-
9 partment pursuant to this Act.

10 (B) SAFEGUARDING NONPUBLIC INFORMA-

11 TION.—The Director and the Secretary shall es-
12 tablish and maintain such safeguards as are
13 necessary and appropriate to protect the con-
14 fidentiality of any nonpublic information re-
15 ceived by their agency pursuant to this Act (as
16 well as any derived information), including—

17 (i) restricting access to the nonpublic
18 information to only those of officers, em-
19 ployees, and contractors who have a need
20 for such information to carry out the re-
21 ceiver’s responsibilities under applicable
22 law;

23 (ii) informing those persons who are
24 provided access to the nonpublic informa-

1 tion of their responsibilities under this Act;
2 and

3 (iii) ensuring that the nonpublic infor-
4 mation is protected in accordance with the
5 standards applicable to Federal agencies
6 for protection of the privacy and confiden-
7 tiality of personally identifiable information
8 and for data security and integrity.

9 (c) HANDLING OF COMPLAINTS BY THE BUREAU.—
10 The Director shall—

11 (1) accept complaints related to private edu-
12 cation loans and the servicing of title IV loans; and

13 (2) process such complaints, including, where
14 appropriate, providing the complaints to the applica-
15 ble servicer and providing any response from the
16 servicer to the borrower, in accordance with section
17 1034 of the Consumer Financial Protection Act of
18 2010 (12 U.S.C. 5534).

19 (d) TITLE IV LOAN SERVICER REQUIREMENT.—The
20 Secretary may not enter into an agreement with a con-
21 tractor or vendor for the servicing of title IV loans unless
22 the contractor or vendor, as part of that agreement, agrees
23 to provide the Bureau, upon request, any information that
24 the contractor or vendor is required to provide the Depart-
25 ment.

1 (e) RESPONSIBILITIES OF THE AGENCIES BY TYPE
2 OF COMPLAINT.—

3 (1) COMPLAINTS REGARDING THE TITLE IV
4 LOAN PROGRAMS.—With respect to complaints re-
5 garding the title IV loan programs, the Department
6 is responsible for—

7 (A) program issue resolution;

8 (B) attempting to resolve such complaints;

9 and

10 (C) as appropriate, discussing such com-
11 plaints with the Bureau regarding the impact,
12 if any, on Federal consumer financial law.

13 (2) COMPLAINTS REGARDING TITLE IV LOANS
14 WITH FEDERAL CONSUMER FINANCIAL LAW
15 ISSUES.—

16 (A) IN GENERAL.—With respect to com-
17 plaints regarding title IV loans with Federal
18 consumer financial law issues—

19 (i) the Department shall collaborate
20 with the Bureau;

21 (ii) the Bureau is responsible for pro-
22 viding the Department with expertise,
23 analysis, and recommendations regarding
24 resolution consistent with Federal con-
25 sumer financial law; and

1 (iii) the Department is responsible for
2 attempting to resolve informally such com-
3 plaints, in accordance with section
4 141(f)(3)(A) of the Higher Education Act
5 of 1965 (20 U.S.C. 1018(f)(3)(A)), with
6 the Bureau's input.

7 (B) INTERAGENCY PROCESS TO DISCUSS,
8 TRACK, AND RESOLVE COMPLAINTS.—The Di-
9 rector and the Secretary shall determine an ef-
10 ficient process to—

11 (i) discuss and track complaints re-
12 lated to both a title IV loan and a private
13 education loan; and

14 (ii) collaborate, where possible, to at-
15 tempt to resolve such complaints, including
16 through the use of the ombudsmen estab-
17 lished under section 1035 of the Consumer
18 Financial Protection Act of 2010 (12
19 U.S.C. 5535) and section 141(f) of the
20 Higher Education Act of 1965 (20 U.S.C.
21 1018(f)).

22 (3) COMPLAINTS REGARDING PRIVATE EDU-
23 CATION LOANS WITH FEDERAL CONSUMER FINAN-
24 CIAL LAW ISSUES.—With respect to complaints re-

1 regarding private education loans, the Bureau is re-
2 sponsible for—

3 (A) attempting to resolve informally such
4 complaints, in accordance with section
5 1035(c)(1) of the Consumer Financial Protec-
6 tion Act of 2010 (12 U.S.C. 5535(c)(1)); and

7 (B) as appropriate, discussing issues with
8 the Department regarding products offered by
9 institutions of higher education or to students
10 or prospective students, or other issues that
11 may impact Federal programs overseen by the
12 Department.

13 (f) PAYMENT OF COSTS.—

14 (1) IN GENERAL.—The Bureau and the Depart-
15 ment shall each bear its own costs of complying with
16 this Act.

17 (2) INTERAGENCY AGREEMENT FOR TRANSFER
18 OF FUNDS.—If funds are transferred between the
19 Bureau and the Department for the provision of
20 goods or services authorized by this Act, including
21 access to Department databases described under
22 subsection (b)(1), such transfer shall be accom-
23 plished by a separate interagency agreement.

24 (g) RULES OF CONSTRUCTION.—

1 (1) Nothing in this Act may be construed to
2 limit the existing authorities of the Bureau or the
3 Department.

4 (2) Nothing in this Act may be construed to
5 prohibit the Bureau or the Department from enter-
6 ing into memoranda of understanding to establish
7 additional policies and procedures related to the re-
8 quirements of this Act.

9 (3) Nothing in this Act may be construed to
10 prevent an agency from complying with a legally
11 valid or enforceable order of a court of competent ju-
12 risdiction, or, if compliance is compulsory, with a re-
13 quest or demand from a duly authorized committee
14 of the United States Senate or House of Representa-
15 tives.

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