

119TH CONGRESS
2^D SESSION

H. R. 7671

To amend the Consumer Financial Protection Act of 2010 to establish the position of the Assistant Director and Student Loan Borrower Advocate of the Bureau of Consumer Financial Protection, 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 25, 2026

Ms. BONAMICI (for herself, Ms. LEE of Pennsylvania, Ms. BYNUM, Ms. NORTON, and Mr. THANEDAR) introduced the following bill; which was referred to the Committee on Education and 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 amend the Consumer Financial Protection Act of 2010 to establish the position of the Assistant Director and Student Loan Borrower Advocate of the Bureau of Consumer Financial Protection, 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,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
 5 “Students and Young Consumers Empowerment Act”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for
 7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—STUDENTS AND YOUNG CONSUMERS EMPOWERMENT

Sec. 101. Assistant Director and Student Loan Borrower Advocate.

Sec. 102. Duties of the Department of Education.

TITLE II—STUDENT LOAN INTEGRITY AND TRANSPARENCY

Sec. 201. Definitions.

Sec. 202. Cooperation between the Bureau and the Department.

8 **TITLE I—STUDENTS AND YOUNG**
 9 **CONSUMERS EMPOWERMENT**

10 **SEC. 101. ASSISTANT DIRECTOR AND STUDENT LOAN BOR-**
 11 **ROWER ADVOCATE.**

12 (a) **IN GENERAL.**—Section 1035 of the Consumer Fi-
 13 nancial Protection Act of 2010 (12 U.S.C. 5535) is
 14 amended to read as follows:

15 **“SEC. 1035. ASSISTANT DIRECTOR AND STUDENT LOAN**
 16 **BORROWER ADVOCATE.**

17 “(a) **ESTABLISHMENT.**—There is established the po-
 18 sition of Assistant Director and Student Loan Borrower
 19 Advocate, who shall be appointed by the Director.

1 “(b) DUTIES.—The Assistant Director and Student
2 Loan Borrower Advocate shall—

3 “(1) serve as the head of the Office for Stu-
4 dents and Young Consumers established under sub-
5 section (e);

6 “(2) not later than the end of the 60-day period
7 beginning on the date of enactment of this section,
8 enter into a memorandum of understanding with the
9 Secretary of Education, the Chief Operating Officer
10 appointed under section 141(d) of the Higher Edu-
11 cation Act of 1965 (20 U.S.C. 1018(d)), and the
12 Student Loan Ombudsman appointed under section
13 141(f) of the Higher Education Act of 1965 (20
14 U.S.C. 1018(f)) that—

15 “(A) ensures coordination in providing as-
16 sistance to and serving borrowers seeking to re-
17 solve complaints related to their private edu-
18 cation loans or Federal student loans; and

19 “(B) authorizes the Bureau to access all
20 relevant Department of Education information
21 systems, records, and data, including any rel-
22 evant information systems, records, or data
23 maintained by contractors of the Department of
24 Education;

1 “(3) accept and attempt to resolve complaints
2 from borrowers with both private education loans
3 and Federal student loans, including complaints
4 against lenders, servicers, and debt collectors; and

5 “(4) carry out such other duties as the Director
6 may determine appropriate.

7 “(c) NOTIFICATION TO CONGRESS.—The Director
8 shall provide written notice and an explanation to the ap-
9 propriate congressional committees, if—

10 “(1) the position of the Assistant Director and
11 Student Loan Borrower Advocate has been vacant
12 for a period of 60 days or more; or

13 “(2) the memorandum of understanding re-
14 quired under subsection (b)(2) has lapsed for a pe-
15 riod of 60 days or more.

16 “(d) REPORTS.—

17 “(1) ANNUAL REPORT ON THE STUDENT LOAN
18 MARKETPLACE.—The Assistant Director and Stu-
19 dent Loan Borrower Advocate shall—

20 “(A) compile and analyze complaints from
21 borrowers with Federal student loans or private
22 education loans;

23 “(B) not less than once per year, submit a
24 report to Congress summarizing the activities of
25 the Assistant Director and Student Loan Bor-

1 rower Advocate in the previous year and includ-
2 ing an independent evaluation of risks to con-
3 sumers posed by policies and practices in the
4 student loan marketplace; and

5 “(C) as part of each report submitted in
6 accordance with subparagraph (B), and any
7 other time deemed prudent by the Student
8 Loan Borrower Advocate, make recommenda-
9 tions to the Director, the Secretary of the
10 Treasury, the Secretary of Education, and the
11 appropriate congressional committees to ad-
12 dress risk to student loan borrowers and
13 strengthen the student loan marketplace.

14 “(2) ANNUAL REPORT ON CAMPUS BANKING.—
15 Not less than once per year, the Assistant Director
16 and Student Loan Borrower Advocate shall issue a
17 report to the appropriate congressional committees
18 analyzing the use of consumer financial products
19 and services by students enrolled at institutions of
20 higher education, including an evaluation of con-
21 tracts and other financial arrangements between in-
22 stitutions of higher education and providers of con-
23 sumer financial products and services, including an
24 evaluation of revenue sharing provisions, marketing

1 provisions, and fees assessed to students who use
2 such products and services.

3 “(3) REPORT ON RISKS TO YOUNG CON-
4 SUMERS.—Not less than once per year, the Assistant
5 Director and Student Loan Borrower Advocate shall
6 issue a report to the appropriate congressional com-
7 mittees containing an analysis of complaints sub-
8 mitted to the Bureau by young consumers during
9 the previous year and offering an independent eval-
10 uation of risks to consumers posed by policies and
11 practices in the marketplace for consumer financial
12 products and services.

13 “(e) OFFICE FOR STUDENTS AND YOUNG CON-
14 SUMERS.—There is established an Office for Students and
15 Young Consumers, which shall be responsible for devel-
16 oping and implementing initiatives for students, young
17 consumers, and their families intended to—

18 “(1) educate and empower students, young con-
19 sumers, and their families to make better informed
20 decisions regarding consumer financial products and
21 services; and

22 “(2) coordinate efforts among Federal and
23 State agencies, as appropriate, regarding consumer
24 protection measures relating to consumer financial

1 products and services offered to, or used by, stu-
2 dents, young consumers, and their families.

3 “(f) COLLECTION OF INFORMATION; MARKET MONI-
4 TORING.—

5 “(1) IN GENERAL.—In carrying out this sec-
6 tion, the Assistant Director and Student Loan Bor-
7 rower Advocate shall have the authority to gather in-
8 formation from time to time regarding the organiza-
9 tion, business conduct, markets, and activities of
10 covered persons and service providers.

11 “(2) SOURCES OF INFORMATION.—In gathering
12 information described under paragraph (1), the As-
13 sistant Director and Student Loan Borrower Advoca-
14 cate may gather and compile information from a va-
15 riety of sources, including examination reports con-
16 cerning covered persons or service providers, con-
17 sumer complaints, voluntary surveys and voluntary
18 interviews of consumers, surveys and interviews with
19 covered persons and service providers, and review of
20 available databases.

21 “(3) AUTHORITY TO REQUIRE REPORTS AND
22 OTHER INFORMATION.—The Director shall, upon the
23 recommendation of the Assistant Director and Stu-
24 dent Loan Borrower Advocate, require covered per-
25 sons and service providers participating in consumer

1 financial services markets to file with the Bureau,
2 under oath or otherwise, in such form and within
3 such reasonable period of time as the Bureau may
4 prescribe by rule or order, annual or special reports,
5 answers in writing to specific questions, or other in-
6 formation described under section 1022(c)(4).

7 “(4) LIMITATION.—The Bureau may not use
8 its authorities under this subsection to obtain
9 records from covered persons and service providers
10 participating in consumer financial services markets
11 for purposes of gathering or analyzing the personally
12 identifiable financial information of consumers.

13 “(g) DEFINITIONS.—For purposes of this section:

14 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
15 TEES.—The term ‘appropriate congressional com-
16 mittees’ means the Committees on Education and
17 Labor and Financial Services of the House of Rep-
18 resentatives and the Committees on Banking, Hous-
19 ing, and Urban Affairs and Health, Education,
20 Labor, and Pensions of the Senate.

21 “(2) TRUTH IN LENDING ACT TERMS.—The
22 terms ‘private education loan’ and ‘institution of
23 higher education’ have the meanings given those
24 terms, respectively, under section 140 of the Truth
25 in Lending Act (15 U.S.C. 1650).”.

1 (b) CLERICAL AMENDMENT.—The table of contents
2 under section 1(b) of the Dodd-Frank Wall Street Reform
3 and Consumer Protection Act is amended, in the item re-
4 lating to section 1035, by striking “Private Education
5 Loan Ombudsman” and inserting “Assistant Director and
6 Student Loan Borrower Advocate”.

7 **SEC. 102. DUTIES OF THE DEPARTMENT OF EDUCATION.**

8 Part D of title I of the Higher Education Act of 1965
9 (20 U.S.C. 1018 et seq.) is amended by adding at the end
10 the following:

11 **“SEC. 144. MEMORANDUM OF UNDERSTANDING WITH THE**
12 **ASSISTANT DIRECTOR AND STUDENT LOAN**
13 **BORROWER ADVOCATE.**

14 “Not later than the end of the 60-day period begin-
15 ning on the date of enactment of this section, the Sec-
16 retary of Education, the Chief Operating Officer ap-
17 pointed under section 141(d), and the Student Loan Om-
18 budsman appointed under section 141(f) shall enter into
19 a memorandum of understanding with the Assistant Di-
20 rector and Student Loan Borrower Advocate of the Bu-
21 reau of Consumer Financial Protection that—

22 “(1) ensures coordination in providing assist-
23 ance to and serving borrowers seeking to resolve
24 complaints related to their private education loans or

1 loans made, insured, or guaranteed under title IV;
2 and

3 “(2) authorizes the Bureau to access all rel-
4 evant Department information systems, records, and
5 data, including any relevant information systems,
6 records, or data maintained by contractors of the
7 Department.”.

8 **TITLE II—STUDENT LOAN**
9 **INTEGRITY AND TRANSPARENCY**

10 **SEC. 201. DEFINITIONS.**

11 In this title:

12 (1) AGENCY.—The term “agency” means the
13 Bureau or the Department, as applicable, and the
14 term “agencies” means both the Bureau and the
15 Department.

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

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

21 (4) DEPARTMENT.—The term “Department”
22 means the Department of Education.

23 (5) ASSISTANT DIRECTOR.—The term “Assist-
24 ant Director” means the Assistant Director and Stu-
25 dent Loan Borrower Advocate of the Bureau.

1 (6) FEDERAL CONSUMER FINANCIAL LAW.—
2 The term “Federal consumer financial law” has the
3 meaning given that term under section 1002 of the
4 Consumer Financial Protection Act of 2010 (12
5 U.S.C. 5481).

6 (7) INSTITUTION OF HIGHER EDUCATION.—The
7 term “institution of higher education” has the
8 meaning given that term under section 102 of the
9 Higher Education Act of 1965 (20 U.S.C. 1002).

10 (8) NONPUBLIC INFORMATION.—The term
11 “nonpublic information” means—

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

15 (B) any information collected by the De-
16 partment from persons engaged in student fi-
17 nancial services activities pursuant to the De-
18 partment’s oversight and other authorities that
19 is not publicly available; and

20 (C) the name, address, or other personally
21 identifiable information relating to any con-
22 sumer, including any information so designated
23 by a provider of information.

24 (9) PRIVATE EDUCATION LOAN.—The term
25 “private education loan” has the meaning given that

1 term under section 140(a) of the Truth in Lending
2 Act (15 U.S.C. 1650(a)).

3 (10) PROVIDER.—With respect to information
4 shared between the agencies, the term “provider”
5 means the agency providing the information to the
6 other agency.

7 (11) RECEIVER.—With respect to information
8 shared between the agencies, the term “receiver”
9 means the agency receiving the information from the
10 other agency.

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

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

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

1 **SEC. 202. COOPERATION BETWEEN THE BUREAU AND THE**
2 **DEPARTMENT.**

3 (a) IN GENERAL.—The Assistant Director and the
4 Secretary shall—

5 (1) establish points of contact between the Bu-
6 reau and the Department with respect to Bureau su-
7 pervision and Department oversight matters that are
8 of common jurisdiction to both the Bureau and the
9 Department;

10 (2) share with each other the Bureau's schedule
11 of examinations and the Department's schedule of
12 reviews of persons engaged in offering or providing
13 student financial services that are subject to the Bu-
14 reau's supervisory authority and the Department's
15 oversight authority;

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

19 (4) meet at least quarterly to discuss observa-
20 tions about the nature of complaints received by the
21 Bureau and the Department, characteristics of bor-
22 rowers, and available information about resolution of
23 complaints, as well as analysis and recommenda-
24 tions; and

25 (5) work to ensure the Bureau and the Depart-
26 ment understand the respective reporting categories

1 and definitions of each agency and how such cat-
2 egories and definitions relate to each other for com-
3 parison.

4 (b) SHARING OF INFORMATION.—

5 (1) BUREAU ACCESS TO DEPARTMENT DATA-
6 BASES.—For the purpose of the Bureau’s congres-
7 sional reporting, research, market analysis, com-
8 plaint resolution, enforcement, supervision, financial
9 education, engagement, and rulemaking needs, the
10 Secretary shall work with the Bureau to provide the
11 Bureau with access to Department databases, as ap-
12 plicable.

13 (2) CONSUMER COMPLAINTS.—

14 (A) BUREAU ACCESS TO DEPARTMENT
15 CONSUMER COMPLAINTS.—The Assistant Direc-
16 tor may request and obtain information from
17 the Secretary concerning consumer complaints
18 and other information pertaining to specific en-
19 tities or classes of entities that are relevant to
20 the exercise of the Bureau’s supervisory, en-
21 forcement, or regulatory functions.

22 (B) SHARING OF STUDENT LOAN BOR-
23 ROWER COMPLAINTS.—

24 (i) IN GENERAL.—The Assistant Di-
25 rector and the Secretary shall transfer

1 each complaint received by their agency
2 from student loan borrowers to the other
3 agency.

4 (ii) DEADLINE FOR SHARING CERTAIN
5 COMPLAINTS.—With respect to a complaint
6 received by the Bureau related to the origi-
7 nation, disbursement, or servicing of a title
8 IV loan or a complaint received by the De-
9 partment related to a private education
10 loan, the applicable agency shall direct the
11 complaint to the other agency within 10
12 days of receipt of the complaint.

13 (C) ADDRESSING COMPLAINTS RELATED
14 TO DEFAULTED TITLE IV LOANS.—The Assist-
15 ant Director and the Secretary shall establish
16 an efficient collaborative process to address
17 complaints received by the Bureau about pri-
18 vate collection agency actions related to de-
19 faulted title IV loans.

20 (D) STANDARDS FOR THE FORMAT AND
21 SHARING OF COMPLAINT DATA.—

22 (i) FORMAT.—In providing complaint
23 data described under this paragraph, the
24 Assistant Director and the Secretary shall

1 provide the complaint data in a secure,
2 digital format.

3 (ii) PROCESS.—The Assistant Direc-
4 tor and the Secretary shall establish an ef-
5 ficient, secure, and legally compliant proc-
6 ess to provide complaint data.

7 (3) CERTAIN TAX RETURN INFORMATION.—Sec-
8 tion 6103(l)(13)(D) of the Internal Revenue Code of
9 1986 is amended by adding at the end the following:

10 “(vii) REDISCLOSURE TO THE BU-
11 REAU OF CONSUMER FINANCIAL PROTEC-
12 TION.—Authorized persons may redisclose
13 return information received under subpara-
14 graph (C) to the Assistant Director and
15 Student Loan Borrower Advocate of the
16 Bureau of Consumer Financial Protection
17 to the extent necessary to carry out the
18 oversight activities of the Bureau of Con-
19 sumer Financial Protection.”.

20 (4) OTHER INFORMATION.—In addition to the
21 information permitted to be shared under this sec-
22 tion, the Assistant Director and the Secretary may
23 share any other information with each other as the
24 Assistant Director and the Secretary determine ap-
25 propriate.

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

3 (A) in paragraph (12), by striking “or” at
4 the end;

5 (B) in paragraph (13), by striking the pe-
6 riod at the end and inserting “; or”; and

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

8 “(14) a disclosure between the Secretary of
9 Education and the Assistant Director and Student
10 Loan Borrower Advocate of the Bureau of Consumer
11 Financial Protection authorized under the Students
12 and Young Consumers Empowerment Act.”.

13 (6) DATA PRIVACY.—

14 (A) MEMORANDUM OF UNDERSTANDING.—

15 The Assistant Director and the Secretary shall
16 enter into one or more memoranda of under-
17 standing to address data privacy issues related
18 to information shared between the Bureau and
19 the Department pursuant to this title.

20 (B) SAFEGUARDING NONPUBLIC INFORMA-

21 TION.—The Assistant Director and the Sec-
22 retary shall establish and maintain such safe-
23 guards as are necessary and appropriate to pro-
24 tect the confidentiality of any nonpublic infor-
25 mation received by their agency pursuant to

1 this title (as well as any derived information),
2 including—

3 (i) restricting access to the nonpublic
4 information to only those of officers, em-
5 ployees, and contractors who have a need
6 for such information to carry out the re-
7 ceiver's responsibilities under applicable
8 law;

9 (ii) informing those persons who are
10 provided access to the nonpublic informa-
11 tion of their responsibilities under this
12 title; and

13 (iii) ensuring that the nonpublic infor-
14 mation is protected in accordance with the
15 standards applicable to Federal agencies
16 for protection of the privacy and confiden-
17 tiality of personally identifiable information
18 and for data security and integrity.

19 (c) HANDLING OF COMPLAINTS BY THE BUREAU.—
20 The Assistant Director shall—

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

23 (2) process such complaints, including, where
24 appropriate, providing the complaints to the applica-
25 ble servicer and providing any response from the

1 servicer to the borrower, in accordance with section
2 1034 of the Consumer Financial Protection Act of
3 2010 (12 U.S.C. 5534).

4 (d) TITLE IV LOAN SERVICER REQUIREMENT.—The
5 Secretary may not enter into an agreement with a con-
6 tractor or vendor for the servicing of title IV loans unless
7 the contractor or vendor, as part of that agreement, agrees
8 to provide the Bureau, upon request, any information that
9 the contractor or vendor is required to provide the Depart-
10 ment.

11 (e) RESPONSIBILITIES OF THE AGENCIES BY TYPE
12 OF COMPLAINT.—

13 (1) COMPLAINTS REGARDING THE TITLE IV
14 LOAN PROGRAMS.—With respect to complaints re-
15 garding the title IV loan programs, the Department
16 is responsible for—

17 (A) program issue resolution;

18 (B) attempting to resolve such complaints;

19 and

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

23 (2) COMPLAINTS REGARDING TITLE IV LOANS
24 WITH FEDERAL CONSUMER FINANCIAL LAW
25 ISSUES.—

1 (A) IN GENERAL.—With respect to com-
2 plaints regarding title IV loans with Federal
3 consumer financial law issues—

4 (i) the Department shall collaborate
5 with the Bureau;

6 (ii) the Bureau is responsible for pro-
7 viding the Department with expertise,
8 analysis, and recommendations regarding
9 resolution consistent with Federal con-
10 sumer financial law; and

11 (iii) the Department is responsible for
12 attempting to resolve informally such com-
13 plaints, in accordance with section
14 141(f)(3)(A) of the Higher Education Act
15 of 1965 (20 U.S.C. 1018(f)(3)(A)), with
16 the Bureau's input.

17 (B) INTERAGENCY PROCESS TO DISCUSS,
18 TRACK, AND RESOLVE COMPLAINTS.—The As-
19 sistant Director and the Secretary shall deter-
20 mine an efficient process to—

21 (i) discuss and track complaints re-
22 lated to both a title IV loan and a private
23 education loan; and

24 (ii) collaborate, where possible, to at-
25 tempt to resolve such complaints, including

1 through the use of the ombudsmen estab-
2 lished under section 1035 of the Consumer
3 Financial Protection Act of 2010 (12
4 U.S.C. 5535) and section 141(f) of the
5 Higher Education Act of 1965 (20 U.S.C.
6 1018(f)).

7 (3) COMPLAINTS REGARDING PRIVATE EDU-
8 CATION LOANS WITH FEDERAL CONSUMER FINAN-
9 CIAL LAW ISSUES.—With respect to complaints re-
10 garding private education loans, the Bureau is re-
11 sponsible for—

12 (A) attempting to resolve informally such
13 complaints, in accordance with section
14 1035(c)(1) of the Consumer Financial Protec-
15 tion Act of 2010 (12 U.S.C. 5535(c)(1)); and

16 (B) as appropriate, discussing issues with
17 the Department regarding products offered by
18 institutions of higher education or to students
19 or prospective students, or other issues that
20 may impact Federal programs overseen by the
21 Department.

22 (f) PAYMENT OF COSTS.—

23 (1) IN GENERAL.—The Bureau and the Depart-
24 ment shall each bear its own costs of complying with
25 this title.

1 (2) INTERAGENCY AGREEMENT FOR TRANSFER
2 OF FUNDS.—If funds are transferred between the
3 Bureau and the Department for the provision of
4 goods or services authorized by this title, including
5 access to Department databases described under
6 subsection (b)(1), such transfer shall be accom-
7 plished by a separate interagency agreement.

8 (g) RULES OF CONSTRUCTION.—

9 (1) Nothing in this title may be construed to
10 limit the existing authorities of the Bureau or the
11 Department.

12 (2) Nothing in this title may be construed to
13 prohibit the Bureau or the Department from enter-
14 ing into memoranda of understanding to establish
15 additional policies and procedures related to the re-
16 quirements of this title.

17 (3) Nothing in this title may be construed to
18 prevent an agency from complying with a legally
19 valid or enforceable order of a court of competent ju-
20 risdiction, or, if compliance is compulsory, with a re-
21 quest or demand from a duly authorized committee
22 of the United States Senate or House of Representa-
23 tives.

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