

111TH CONGRESS  
1ST SESSION

# S. 2733

To provide for the establishment of a Private Education Loan Ombudsman.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 5, 2009

Mr. BROWN (for himself, Ms. MIKULSKI, Mr. FRANKEN, and Mr. BENNET)  
introduced the following bill; which was read twice and referred to the  
Committee on Health, Education, Labor, and Pensions

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## A BILL

To provide for the establishment of a Private Education  
Loan Ombudsman.

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. APPOINTMENT OF PRIVATE EDUCATION LOAN**  
4       **OMBUDSMAN.**

5       The Secretary of the Treasury, in consultation with  
6 the Secretary of Education, shall appoint a Private Edu-  
7 cation Loan Ombudsman (in this Act referred to as the  
8 “Ombudsman”) to provide timely assistance to borrowers  
9 of private education loans.

1 **SEC. 2. PUBLIC INFORMATION.**

2       The Secretary of the Treasury and the Secretary of  
3 Education shall disseminate information about the avail-  
4 ability and functions of the Ombudsman to borrowers and  
5 potential borrowers, as well as institutions of higher edu-  
6 cation, lenders, guaranty agencies, loan servicers, and  
7 other participants in private education student loan pro-  
8 grams and Federal student loan programs.

9 **SEC. 3. FUNCTIONS OF OMBUDSMAN.**

10       The Ombudsman appointed under this Act shall—

11           (1) in accordance with regulations of the Sec-  
12 retary of the Treasury, receive, review, and attempt  
13 to resolve informally complaints from borrowers of  
14 loans described in section 1, including, as appro-  
15 priate, attempts to resolve such complaints in col-  
16 laboration with the Department of Education and  
17 with institutions of higher education, lenders, guar-  
18 anty agencies, loan servicers, and other participants  
19 in private education loan programs;

20           (2) not later than 90 days after the date of en-  
21 actment of this Act, establish a memorandum of un-  
22 derstanding with the student loan ombudsman es-  
23 tablished under section 141(f) of the Higher Edu-  
24 cation Act of 1965 (20 U.S.C. 1018(f)), to ensure  
25 coordination in providing assistance to serving bor-

1       rowers seeking to resolve complaints related to their  
2       private education or Federal student loans;

3               (3) compile and analyze data on borrower com-  
4       plaints regarding private education loans; and

5               (4) make appropriate recommendations to the  
6       Secretary of the Treasury, the Secretary of Edu-  
7       cation, the Committee on Banking, Housing, and  
8       Urban Affairs, and the Committee on Health, Edu-  
9       cation, Labor, and Pensions of the Senate and the  
10      Committee on Financial Services and the Committee  
11      on Education and Labor of the House of Represent-  
12      atives.

13   **SEC. 4. ANNUAL REPORTS.**

14       (a) IN GENERAL.—The Ombudsman shall prepare an  
15      annual report that describes the activities, and evaluates  
16      the effectiveness of the Ombudsman during the preceding  
17      year.

18       (b) SUBMISSION.—The report required by subsection  
19      (a) shall be submitted on the same date annually to the  
20      Secretary of the Treasury, the Secretary of Education, the  
21      Committee on Banking, Housing, and Urban Affairs, and  
22      the Committee on Health, Education, Labor, and Pen-  
23      sions of the Senate and the Committee on Financial Serv-  
24      ices and the Committee on Education and Labor of the  
25      House of Representatives.

1 **SEC. 5. DEFINITIONS.**

2       For purposes of this Act, the terms “private edu-  
3 cation loan” and “institution of higher education” have  
4 the same meanings as in section 140 of the Truth in Lend-  
5 ing Act (15 U.S.C. 1650).

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