

117TH CONGRESS
2D SESSION

S. 5209

To establish a grant program for States to fund community-based nonprofit student loan consumer assistance programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 7, 2022

Mrs. GILLIBRAND (for herself, Mr. BOOKER, Ms. DUCKWORTH, Ms. KLOBUCHAR, Mr. MERKLEY, and Mr. PADILLA) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To establish a grant program for States to fund community-based nonprofit student loan consumer assistance programs, 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 “Student Loan Literacy
5 Act of 2022”.

6 **SEC. 2. STUDENT LOAN CONSUMER INFORMATION.**

7 (a) IN GENERAL.—From amounts made available to
8 carry out this section, the Secretary of Education shall
9 award grants to States to enable such States to establish,

1 expand, or provide support for community-based nonprofit
2 student loan consumer assistance programs.

3 (b) APPLICATION.—Each State desiring to receive a
4 grant under this section shall submit to the Secretary of
5 Education an application at such time and in such manner
6 as the Secretary may require. Such application shall iden-
7 tify the community-based nonprofit student loan consumer
8 assistance organization or organizations that will partici-
9 pate in the program funded under this section, and shall
10 include a description of the program activities the State
11 and such organization or organizations will carry out.

12 (c) USE OF FUNDS.—With funds provided by a State
13 under this section, a community-based nonprofit student
14 loan consumer assistance program—

15 (1) shall provide assistance to borrowers of
16 Federal student loans, including—

17 (A) receiving and responding to borrower
18 inquiries and complaints concerning Federal
19 student loans;

20 (B) assisting borrowers with the filing of
21 complaints and appeals with relevant Federal
22 and State entities and Federal student loan
23 lenders, holders, servicers, and collectors, as ap-
24 propriate;

1 (C) collecting, tracking, and quantifying
2 problems and inquiries encountered by bor-
3 rowers of Federal student loans;

4 (D) educating borrowers about their rights
5 and responsibilities with respect to Federal stu-
6 dent loans; and

7 (E) assisting borrowers with Federal stu-
8 dent loan needs by providing information, refer-
9 ral, and assistance, including assistance resolv-
10 ing problems regarding Federal student loans;

11 (2) shall consult with relevant Federal and
12 State entities to assist borrowers with reporting,
13 processing, and resolving issues and complaints re-
14 lated to Federal student loans;

15 (3) shall collect data required to comply with
16 the reporting requirements under subsection (d); and

17 (4) may file complaints and appeals on behalf
18 of borrowers of Federal student loans in accordance
19 with any regulations established by the Secretary of
20 Education with respect to this paragraph.

21 (d) DATA COLLECTION AND REPORTING.—

22 (1) ANNUAL REPORT TO STATES.—Each com-
23 munity-based nonprofit student loan consumer as-
24 sistance program receiving funds under this section
25 shall provide to the State providing such funds an

1 annual report on the activities carried out by such
2 program, which shall include—

3 (A) the number of borrowers served by the
4 program;

5 (B) demographic data on the borrowers
6 served by the program, including age, race, eth-
7 nicity, gender, and student or employment sta-
8 tus, and if available, the income of such bor-
9 rowers;

10 (C) a list and description of the types of
11 issues and complaints presented by borrowers
12 served by the program, including identification
13 of the most common problems encountered by
14 such borrowers with respect to Federal student
15 loans;

16 (D) a description of the types of services
17 provided to borrowers by the program; and

18 (E) data related to the issues and com-
19 plaints presented by borrowers served by the
20 program, including—

21 (i) the number of borrower issues or
22 complaints the program referred to, or fa-
23 cilitated borrower contact with, a Federal
24 or State entity or Federal student loan
25 lender, holder, servicer, or collector;

1 (ii) the number of such issues or com-
2 plaints the program filed, on behalf of a
3 borrower, with a Federal or State entity or
4 Federal student loan lender, holder,
5 servicer, or collector; and

6 (iii) data on the outcomes of such
7 issues and complaints, including the num-
8 ber of such issues or complaints that have
9 been resolved, and whether a borrower con-
10 siders an issue or complaint to be resolved
11 satisfactorily.

12 (2) STATE REPORTS.—Not later than 30 days
13 after receipt of an annual report described in para-
14 graph (1), a State receiving funds under this section
15 for one or more community-based nonprofit student
16 loan consumer assistance programs shall provide to
17 the Secretary of Education a summary of the annual
18 reports received from all such programs.

19 (3) REPORT BY THE SECRETARY.—Beginning
20 18 months after the date of enactment of this sec-
21 tion, the Secretary of Education shall provide an an-
22 nual report on the grant program carried out under
23 this section to the Committee on Health, Education,
24 Labor, and Pensions of the Senate and the Com-
25 mittee on Education and Labor of the House of

1 Representatives, the entity in each State that is re-
2 sponsible for regulation of student loans, and any
3 other Federal entity with responsibilities related to
4 Federal student loans. Such report shall include
5 areas of Federal student loan law, regulation, and
6 administration that require increased enforcement or
7 oversight, as identified by the Secretary using data
8 reported by States in accordance with paragraph
9 (2).

10 (e) OUTREACH.—

11 (1) NATIONAL WEBSITE.—Not later than 24
12 months after the date of enactment of this section,
13 the Secretary of Education shall establish, maintain,
14 and make readily available to the public through the
15 Department of Education’s website a list of the com-
16 munity-based nonprofit student loan consumer as-
17 sistance programs receiving funds under this section
18 to assist borrowers with locating and contacting
19 such a program in their community.

20 (2) FEDERAL STUDENT LOAN LIAISONS.—The
21 Secretary of Education shall take such steps as may
22 be necessary to ensure that each holder, servicer,
23 and collector of Federal student loans provides at
24 least one individual representative of the holder,

servicer, or collector, referred to in this paragraph as a “Federal student loan liaison”, who will—

(A) coordinate with community-based non-profit student loan consumer assistance programs receiving funds under this section with respect to inquiries, issues, and complaints from borrowers, including the resolution of such inquiries, issues, and complaints; and

(B) provide community-based nonprofit student loan consumer assistance programs receiving funds under this section with a direct method of communication to the individual or department of the holder, servicer, or collector who is responsible for handling escalated issues or complaints.

(f) DEFINITIONS.—In this section:

(1) BORROWER.—The term “borrower” means a borrower or potential borrower of a Federal student loan, including a parent who is a borrower of a loan made on behalf of a dependent student.

(2) FEDERAL STUDENT LOAN.—The term “Federal student loan” means any Federal student loan made under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) or any other Federal law to cover the cost of attendance of a stu-

1 dent at an institution of higher education (as de-
2 fined in section 102 of such Act of 1965 (20 U.S.C.
3 1002)).

4 (g) FUNDING.—

5 (1) INITIAL FUNDING.—There is hereby appro-
6 priated to the Secretary of Education, out of any
7 funds in the Treasury not otherwise appropriated,
8 \$80,000,000 for the first fiscal year beginning after
9 the date of enactment of this section, to remain
10 available until expended.

11 (2) AUTHORIZATION FOR SUBSEQUENT
12 YEARS.—In addition to amounts appropriated under
13 paragraph (1), there are authorized to be appro-
14 priated to the Secretary of Education, for each fiscal
15 year following the fiscal year described in paragraph
16 (1), such sums as may be necessary to carry out this
17 section.

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