

116TH CONGRESS  
1ST SESSION

# H. R. 4627

To amend the Higher Education Act of 1965 to establish the Office of  
the Borrower Advocate.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2019

Ms. SCANLON (for herself and Ms. OMAR) introduced the following bill; which  
was referred to the Committee on Education and Labor

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## A BILL

To amend the Higher Education Act of 1965 to establish  
the Office of the Borrower Advocate.

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 Borrower Ad-  
5 vocate Act”.

1 **SEC. 2. PERFORMANCE-BASED ORGANIZATION FOR DELIV-**  
2 **ERY OF FEDERAL STUDENT FINANCIAL AS-**  
3 **SISTANCE.**

4 (a) PBO.—Section 141(f) of the Higher Education  
5 Act of 1965 (20 U.S.C. 1018(f)) is amended to read as  
6 follows:

7 “(f) BORROWER ADVOCATE.—

8 “(1) IN GENERAL.—There is established in the  
9 PBO an ‘Office of the Borrower Advocate’ (referred  
10 to in this subsection as the ‘Office’). The function of  
11 the Office shall be to provide timely assistance to  
12 borrowers of loans made, insured, or guaranteed  
13 under title IV by performing the duties described in  
14 paragraph (6).

15 “(2) HEAD OF OFFICE.—There shall be an offi-  
16 cial known as the ‘Borrower Advocate’ who shall  
17 serve as the head of the Office. The Borrower Adv-  
18 cate shall be appointed by the Secretary from among  
19 individuals who have worked closely with the Federal  
20 student loan programs authorized under title IV.

21 “(3) REMOVAL.—The Borrower Advocate may  
22 be removed only by the Secretary who shall commu-  
23 nicate the reasons for any such removal to the au-  
24 thorizing committees.

25 “(4) RESTRICTIONS.—

1           “(A) PRESERVICE AND IN-SERVICE RE-  
2           STRICTIONS.—An individual may not serve as  
3           the Borrower Advocate if such individual—

4                   “(i) is employed by, or has a financial  
5                   interest in, an entity that contracts with  
6                   the PBO; or

7                   “(ii) was employed by, or had a finan-  
8                   cial interest in, any such entity in any of  
9                   the five-years preceding the date of the in-  
10                  dividual’s appointment as the Borrower  
11                  Advocate.

12           “(B) POSTSERVICE RESTRICTIONS.—An  
13           individual who served as the Borrower Advocate  
14           may not accept employment with an entity that  
15           contracts with the PBO until a period of five  
16           years has elapsed following the date on which  
17           such individual’s service as the Borrower Advo-  
18           cate terminated.

19           “(5) STAFF.—The Office shall be staffed suffi-  
20           ciently to carry out the responsibilities of the Office  
21           under this subsection.

22           “(6) DUTIES OF THE BORROWER ADVOCATE.—  
23           The Office of the Borrower Advocate shall—

24                   “(A) assist borrowers of loans made, in-  
25                   sured, or guaranteed under title IV in resolving

1 problems with the PBO and its contractors or  
2 other agents, including by—

3 “(i) receiving and reviewing com-  
4 plaints of such problems from borrowers;

5 “(ii) working to resolve such com-  
6 plaints in a manner that is in the best in-  
7 terests of borrowers; and

8 “(iii) transmitting such complaints to  
9 States and recognized accrediting agencies  
10 or associations, as appropriate;

11 “(B) attempt to resolve complaints within  
12 the Department of Education and with institu-  
13 tions of higher education, lenders, guaranty  
14 agencies, loan servicers, and other participants  
15 in the Federal student loan programs author-  
16 ized under title IV in a manner that will im-  
17 prove the experience of the borrower;

18 “(C) compile and analyze data on borrower  
19 complaints and share such data with the Direc-  
20 tor of the Bureau of Consumer Financial Pro-  
21 tection;

22 “(D) publish, with any personally identifi-  
23 able information redacted, such complaints and  
24 responses of the Secretary to such complaints  
25 on the website of the Department; and

1           “(E) make appropriate recommendations  
2           to Congress, the Chief Operating Officer, and  
3           Secretary with respect to Federal student loan  
4           programs authorized under title IV and the ex-  
5           periences of borrowers in repayment of loans  
6           under such programs.

7           “(7) PUBLIC INFORMATION.—The Chief Oper-  
8           ating Officer shall establish and maintain a public  
9           page on the website of the Department of Education  
10          exclusively to provide members of the public with in-  
11          formation about the role of the PBO with respect to  
12          the oversight of institutions of higher education,  
13          lenders, guaranty agencies, contractors that contract  
14          with the PBO, subcontractors of such contractors,  
15          and third party servicers.

16          “(8) REPORT.—On an annual basis, the Bor-  
17          rower Advocate shall submit to the Chief Operating  
18          Officer a report on the activities of the Office during  
19          the preceding year that—

20                 “(A) identifies the activities carried out by  
21                 the Borrower Advocate;

22                 “(B) summarizes the complaints received  
23                 from borrowers, including the number of such  
24                 complaints, and explains the activities under-  
25                 taken by the PBO to address such complaints;

1           “(C) proposes changes in the administra-  
2           tive practices of the PBO to mitigate problems  
3           experienced by borrowers; and

4           “(D) identifies potential legislative changes  
5           which may be appropriate to mitigate such  
6           problems.”.

7           (b) CONFORMING AMENDMENTS.—

8           (1) Section 433(b)(13) of the Higher Education  
9           Act of 1965 (20 U.S.C. 1083(b)(13)) is amended by  
10          striking “Student Loan Ombudsman” and inserting  
11          “Borrower Advocate”.

12          (2) Section 433(e)(3)(E) of the Higher Edu-  
13          cation Act of 1965 (20 U.S.C. 1083(e)(3)(E)) is  
14          amended by striking “Student Loan Ombudsman”  
15          and inserting “Borrower Advocate”.

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