

117TH CONGRESS  
1ST SESSION

# H. R. 5779

To amend the Higher Education Act of 1965 to require the Secretary of Education to create a personal finance education portal on a centralized website of the Department of Education pertaining to Federal financial aid.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 28, 2021

Ms. LEGER FERNANDEZ (for herself and Mrs. SPARTZ) 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 require the Secretary of Education to create a personal finance education portal on a centralized website of the Department of Education pertaining to Federal financial aid.

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 “Financial Fitness  
5 Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1           (1) Nearly 43,000,000 people owe an average of  
2           \$36,406 in Federal student loans, and student loan  
3           debt in the United States totals  
4           \$1,730,000,000,000, growing 6 times faster than  
5           the Nation's economy.

6           (2) Student debt has significant racial equity  
7           implications. Almost half of Black college students  
8           are using Federal student loans to cover educational  
9           costs, and Black college graduates are still substan-  
10          tially more likely than white college graduates to de-  
11          fault on their debt within 4 years of graduation (7.6  
12          percent versus 2.4 percent of white graduates). In  
13          addition, 4 years after graduation, 48 percent of  
14          Black students owe an average of 12.5 percent more  
15          than they borrowed. Students who are veterans, par-  
16          ents, first-generation college students, or low income  
17          are also likely to face higher risk of default.

18          (3) Since before the COVID-19 pandemic,  
19          about 23 percent of Hispanic and Latino college  
20          graduates who had taken out loans for tuition and  
21          school expenses were behind on their payments, in  
22          contrast with 6 percent of white student borrowers.  
23          Hispanic and Latino borrowers also were the most  
24          likely to delay getting married and having children  
25          due to student loan debt.

1           (4) Native American financial status remains  
2           among the lowest of all minority populations in the  
3           Nation. Native people are the least likely of all popu-  
4           lation groups, including other minorities, to plan for  
5           retirement, have an emergency fund, or have a  
6           checking account. Native American and Alaska Na-  
7           tive borrowers take on student loan debt at a rate  
8           higher than the overall population, 76 percent com-  
9           pared to 69 percent.

10           (5) Among college graduates with any out-  
11           standing debt for their education, first-generation  
12           college graduates tend to owe more. About two-  
13           thirds of first-generation college graduates owe at  
14           least \$25,000 or more, compared with 57 percent of  
15           second-generation college graduates, and 200,000  
16           United States service members owe nearly  
17           \$3,000,000,000 in student loans.

18           (6) Student debt among older adults has stead-  
19           ily increased, with many individuals taking on debt  
20           to finance higher education for their children and  
21           grandchildren.

22           (7) Despite the fact that many students and  
23           families must make substantial and highly con-  
24           sequential decisions about student loan borrowing  
25           and face growing college affordability challenges, less

1 than half of States make personal finance a core  
2 part of basic education.

3 (8) Just over 2 in 10 non-retirees under age 45  
4 have retirement savings that meet their age-specific  
5 thresholds. 42 percent of Americans age 18–29 have  
6 no retirement savings; 26 percent of those age 30–  
7 44; 17 percent of those age 45–59; and 13 percent  
8 of those over age 60.

9 (9) People with self-directed retirement savings  
10 (nearly 7 in 10 non-retired adults) must make deci-  
11 sions about how the money is invested. Six in 10  
12 non-retirees with these self-directed accounts express  
13 low levels of comfort in making investment decisions  
14 with their retirement savings.

15 (10) The COVID–19 pandemic exacerbated the  
16 need to provide families with better tools to weather  
17 financial challenges, with a rapid spike in unemploy-  
18 ment occurring in mid-2020, along with significant  
19 shifts to individuals’ housing and transportation  
20 needs.

21 (11) Nearly 1 in 10 student loan borrowers end  
22 up in default, and even more struggle to repay their  
23 loans, indicating an important need to ensure bor-  
24 rowers can access information to help them navigate  
25 repayment and succeed financially.

1 **SEC. 3. PERSONAL FINANCE EDUCATION PORTAL.**

2 Section 485 of the Higher Education Act of 1965 (20  
3 U.S.C. 1092) is amended by adding at the end the fol-  
4 lowing:

5 “(n) PERSONAL FINANCE EDUCATION PORTAL.—

6 “(1) IN GENERAL.—Not later than 3 years  
7 after the date of enactment of this Act, the Sec-  
8 retary, in consultation with the Director of the Bu-  
9 reau of Consumer Financial Protection, the Sec-  
10 retary of the Treasury as chair of the Financial Lit-  
11 eracy and Education Commission, and the Commis-  
12 sioner of Internal Revenue, shall create a personal  
13 finance education portal on a centralized and pub-  
14 licly available website of the Department pertaining  
15 to Federal financial aid for the voluntary use by re-  
16 cipients of aid awarded under this title.

17 “(2) CONTENT OF PERSONAL FINANCE EDU-  
18 CATION PORTAL.—The personal finance education  
19 portal created under paragraph (1) shall include in-  
20 formation on personal finance concepts, including  
21 the following:

22 “(A) Core personal finance concepts, such  
23 as earning, saving, investing, spending, and  
24 borrowing, including—

25 “(i) the concept of compound growth  
26 as it applies to savings and retirement sav-

1           ings, with information about the different  
2           types of retirement savings accounts; and

3                   “(ii) budgeting and credit usage.

4           “(B) Managing student loan repayment,  
5           including—

6                   “(i) the interaction between savings  
7                   and retirement decisions and Federal stu-  
8                   dent loan repayment plans;

9                   “(ii) Federal student loan discharge  
10                  or forgiveness options;

11                  “(iii) the types of voluntary benefits  
12                  employers may use to help workers while  
13                  they are paying down student loan debt;

14                  “(iv) tax credits or deductions that  
15                  are relevant to student loan borrowers in  
16                  repayment; and

17                  “(v) any other Federal policies that  
18                  significantly impact student loan borrowers  
19                  in repayment, as determined by the Sec-  
20                  retary.

21           “(C) Any other personal finance concepts  
22           determined relevant by the Secretary, in con-  
23           sultation with the Director of the Bureau of  
24           Consumer Financial Protection, the Secretary  
25           of the Treasury as chair of the Financial Lit-

1           eracy and Education Commission, and the  
2           Commissioner of Internal Revenue.

3           “(3) PROVISION OF CONTENT.—The personal  
4           finance content included under paragraph (2) may  
5           be provided in an interactive format through text or  
6           video.

7           “(4) ANALYTICS.—The Secretary, in consulta-  
8           tion with the Director of the Bureau of Consumer  
9           Financial Protection, the Secretary of the Treasury  
10          as chair of the Financial Literacy and Education  
11          Commission, and the Commissioner of Internal Rev-  
12          enue, shall review not less than once every three  
13          years the utilization of the portal and make such  
14          findings publicly available.

15          “(5) AUTHORIZATION OF APPROPRIATIONS.—  
16          There are authorized to be appropriated such sums  
17          as may be necessary to carry out the purposes of  
18          this subsection.”.

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