AMENDMENT TO RULES COMMITTEE PRINT 116–57

OFFERED BY MRS. LEE OF NEVADA

At the end of subtitle E of title XVII, add the following new section:

SEC. 17. SYSTEM FOR TRACKING AND RESOLVING COMPLAINTS AGAINST INSTITUTIONS OF HIGHER EDUCATION AND STUDENT LOAN SERVICERS.

(a) In general.—The Secretary of Education (referred to in this section as the “Secretary”) shall maintain a complaint tracking system that includes a single, toll-free telephone number and a website to facilitate the centralized collection of, monitoring of, and response to complaints and reports (including evidence, as available) of suspicious activity (such as unfair, deceptive, or abusive acts or practices) regarding—

(1) Federal student financial aid and the servicing of postsecondary education loans by loan servicers;

(2) educational practices and services of institutions of higher education; and

(3) the recruiting and marketing practices of institutions of higher education.
(b) COMPLAINTS.—Complaints and reports of suspi-
cious activity submitted to the tracking system by stu-
dents, borrowers of student loans, staff, or the general
public—

(1) may remain anonymous, if the complainant
so chooses; and

(2) may describe problems that are systematic
in nature and not associated with a particular stu-
dent.

(c) ESTABLISHMENT OF COMPLAINT TRACKING OF-
FICE.—The Secretary shall establish within the Depart-
ment an office whose functions shall include establishing
and administering the complaint tracking system, and
widely disseminating information about the complaint
tracking system, established under this subsection. The
Secretary shall—

(1) to the extent necessary, combine and con-
solidate the other offices and functions of the De-
partment to ensure that the office established under
this subsection is the single point of contact for stu-
dents and borrowers with complaints or reports of
suspicous activity regarding Federal student financi-
lar aid, student loan servicers, educational practices
and services of institutions of higher education, and
recruiting and marketing activities of institutions of
higher education; and

(2) to the extent practicable, ensure that the of-
office established under this subsection will work with
the Student Loan Ombudsman appointed in accord-
ance with section 141(f) of the Higher Education
Act of 1965 (20 U.S.C. 1018(f)) and the Student
Loan Ombudsman of the Bureau of Consumer Fi-
nancial Protection to assist borrowers of Federal
student loans that submit complaints or reports of
suspicious activity to the complaint tracking system.

(d) HANDLING OF COMPLAINTS.—

(1) TIMELY RESPONSE TO COMPLAINTS.—The
Secretary shall establish, in consultation with the
heads of appropriate agencies (including the Direc-
tor of the Bureau of Consumer Financial Protec-
tion), reasonable procedures to provide a response to
complainants not more than 90 days after receiving
a complaint in the complaint tracking system, in
writing where appropriate. Each response shall in-
clude a description of—

(A) the steps that have been taken by the
Secretary in response to the complaint or report
of suspicious activity;
(B) any responses received by the Secretary from the institution of higher education or from a servicer; and

(C) any additional actions that the Secretary has taken, or plans to take, in response to the complaint or report of suspicious activity.

(2) Timely Response to Secretary by Institution of Higher Education or Loan Servicer.—If the Secretary determines that it is necessary, the Secretary shall notify an institution of higher education or loan servicer that is the subject of a complaint or report of suspicious activity through the complaint tracking system under this subsection regarding the complaint or report and directly address and resolve the complaint or report in the system. Not later than 60 days after receiving such notice, such institution or loan servicer shall provide a response to the Secretary concerning the complaint or report, including—

(A) the steps that have been taken by the institution or loan servicer to respond to the complaint or report;

(B) all responses received by the institution or loan servicer from the complainant; and
(C) any additional actions that the institution or loan servicer has taken, or plans to take, in response to the complaint or report.

(3) FURTHER INVESTIGATION.—The Secretary may, in the event that the complaint is not adequately resolved or addressed by the responses of the institution of higher education or loan servicer under paragraph (2), ask additional questions of such institution or loan servicer or seek additional information from or action by the institution or loan servicer.

(4) PROVISION OF INFORMATION.—

(A) IN GENERAL.—An institution of higher education or loan servicer shall, in a timely manner, comply with a request by the Secretary for information in the control or possession of such institution or loan servicer concerning a complaint or report of suspicious activity received by the Secretary under this subsection, including supporting written documentation, subject to subparagraph (B).

(B) EXCEPTIONS.—An institution of higher education or loan servicer shall not be required to make available under this subsection—
(i) any nonpublic or confidential information, including any confidential commercial information;

(ii) any information collected by the institution for the purpose of preventing fraud or detecting or making any report regarding other unlawful or potentially unlawful conduct; or

(iii) any information required to be kept confidential by any other provision of law.

(5) COMPLIANCE.—An institution of higher education or loan servicer shall comply with the requirements to provide responses and information, in accordance with this subsection, as a condition of receiving funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) or as a condition of the contract with the Department, as applicable.

(e) TRANSPARENCY.—

(1) Collecting and sharing information with federal, state, and nationally recognized accrediting agencies.—In accordance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g) (commonly referred to as “Fam-
ily Educational Rights and Privacy Act of 1974”)

and other laws, the Secretary shall coordinate with
the heads of relevant Federal or State agencies or
entities, and nationally recognized accrediting agen-
cies or associations recognized by the Secretary pur-
suant to section 496 of the Higher Education Act of
1965 (20 U.S.C. 1099b) to—

(A) collect any complaints and reports of
suspicious activity described in subsection
(a)(1) from such agencies, entities, or associa-
tions; and

(B) route complaints and reports received
by the complaint tracking system under this
section and complaints and reports collected in
accordance with subparagraph (A) to the De-
partment, the Department of Justice, the De-
partment of Defense, the Department of Vet-
erans Affairs, the Federal Trade Commission
Consumer Sentinel Network, the Bureau of
Consumer Financial Protection, any equivalent
State agency, or the relevant nationally recog-
nized accrediting agency or association.

(2) Interaction with existing complaint
systems.—To the extent practicable, all procedures
established under this section, and all coordination
carried out under paragraph (1), shall be established and carried out in accordance with the complaint tracking systems established under Executive Order 13607 (77 Fed. Reg. 25861; relating to establishing principles of excellence for educational institutions serving servicemembers, veterans, spouses, and other family members).

(3) PUBLIC INFORMATION.—

(A) IN GENERAL.—The Secretary shall, on an annual basis, publish on the website of the Department information on the complaints and reports of suspicious activity received for each institution of higher education or loan servicer under this subsection, including—

(i) the number of complaints and reports received;

(ii) the types of complaints and reports received; and

(iii) where applicable, information about the resolution of the complaints and reports.

(B) DATA PRIVACY.—In carrying out subparagraph (A), the Secretary shall—

(i) comply with applicable data privacy laws and regulations; and
(ii) ensure that personally identifiable information is not shared.

(4) REPORTS.—Each year, the Secretary shall prepare and submit to Congress a report describing—

(A) the types and nature of complaints or reports the Secretary has received under this section;

(B) the extent to which complainants are receiving adequate resolution pursuant to this section;

(C) whether particular types of complaints or reports are more common in a given sector of institutions of higher education or with particular loan servicers;

(D) any legislative recommendations that the Secretary determines are necessary to better assist students and families regarding the activities described in subsection (a)(1); and

(E) the institutions of higher education and loan servicers with the highest volume of complaints and reports, as determined by the Secretary.

(f) DEFINITIONS.—In this section:
(1) INSTITUTION OF HIGHER EDUCATION.—The term “institution of higher education” has the meaning given that term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

(2) RECRUITING AND MARKETING ACTIVITIES.—

(A) IN GENERAL.—Except as provided in clause (ii), the term “recruiting and marketing activities” shall include the following:

(i) Advertising and promotion activities, including paid announcements in newspapers, magazines, radio, television, billboards, electronic media, naming rights, or any other public medium of communication, including paying for displays or promotions at job fairs, military installations, or college recruiting events.

(ii) Efforts to identify and attract prospective students, either directly or through a third party contractor, including contact concerning a prospective student’s potential enrollment or application for grant, loan, or work assistance under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) or participation
in preadmission or advising activities, including—

(I) paying employees responsible for overseeing enrollment and for contacting potential students in-person, by phone, by email, or by other Internet communications regarding enrollment; and

(II) soliciting an individual to provide contact information to an institution of higher education, including websites established for such purpose and funds paid to third parties for such purpose.

(iii) Such other activities as the Secretary may prescribe, including paying for promotion or sponsorship of education or military-related associations.

(B) EXCEPTIONS.—Any activity that is required as a condition of receipt of funds by an institution under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), is specifically authorized under such title, or is otherwise specified by the Secretary, shall not
be considered to be a covered activity under this subparagraph.