

STUDENTS AND YOUNG CONSUMERS EMPOWERMENT ACT

Introduced by Rep. Suzanne Bonamici and Rep. Katie Porter

Background

Under the Trump Administration, many of the essential functions of the Consumer Financial Protection Bureau (CFPB) have been rolled back, harming millions of people across the country, including young consumers and student borrowers. Last year, under the leadership of then-Acting Director of the CFPB Mick Mulvaney, this Administration closed the CFPB's Office for Students and Young Consumers, the only office in the federal government charged with protecting young Americans from abuse by the financial services industry. Shutting down this office diminished the CFPB's mission and weakened its enforcement capabilities. Before its closure, this office returned more than \$750 million to students and student loan borrowers through actions against unscrupulous student loan companies and for-profit colleges and helped more than 60,000 borrowers who submitted complaints about the student loan industry to the CFPB. Notably, in January 2017, the CFPB and the Office for Students and Young Consumers stood up to the nation's largest student loan servicer, Navient, for cheating more than 1 million student loan borrowers out of their repayment rights. Furthermore, this Administration ended information sharing agreements between the Department of Education and the CFPB, obstructing CFPB's access to key information needed to protect student borrowers.

The CFPB's Office for Students and Young Consumers also led oversight over deals between colleges and financial institutions, raising warnings about questionable arrangements with big banks like Wells Fargo to push high-fee bank accounts on college students across the country.

Summary

The *Students and Young Consumers Empowerment Act* would restore and strengthen the CFPB's Office for Students and Young Consumers by:

- establishing the position of the Assistant Director and Student Loan Borrower Advocate as head of a statutorily mandated Office for Students and Young Consumers charged with:
 - empowering students, young consumers, and their families to make better informed decisions regarding consumer financial products and services;
 - identifying new risks to consumers and referring cases for enforcement; and
 - making recommendations to Congress about how to protect young consumers
- empowering this Office to work with private and Federal student loan borrowers to resolve complaints against lenders, servicers, and debt collectors;
- requiring information sharing between the head of the Office and senior officials across the federal government to make sure the Office can carry out its duties;
- giving this Office new tools to demand data from industry about risky practices, and requiring annual reports on the student loan marketplace, campus banking, and risks to young consumers; and
- giving Congress new tools to hold CFPB accountable for the requirements in this Act.