



S. 1642 – Gramm-Leach-Bliley Language

SEC. 426. STUDENT LOAN INFORMATION BY ELIGIBLE LENDERS.

Section 433 (20 U.S.C. 1083) is amended by adding at the end the following:

~~(f) Borrower Information and Privacy—Each entity participating in a program under this part that is subject to subtitle A of title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) shall only use, release, disclose, sell, transfer, or give student information, including the name, address, social security number, or amount borrowed by a borrower or a borrower's parent, in accordance with the provisions of such subtitle. STRIKE AND CONCEDE TO HR4137 LANGUAGE OR ADD REFERENCE TO SEC. 423 OF HOUSE BILL.~~

H.R. 4137 – Access to Student Borrower Information Language

SEC. 423. STUDENT LOAN INFORMATION.

Section 428(k) (20 U.S.C. 1078(k)) is amended by adding at the end the following new paragraph:

(4) STUDENT LOAN INFORMATION-

(A) If requested by an institution of higher education or a third party servicer (as defined in section 481(c)) working on behalf of such institution to prevent student loan defaults for borrowers who currently attend or previously attended such institution, a lender, secondary market, holder, or guaranty agency shall provide, free of charge and in a timely and effective manner, any student loan information pertaining to loans made under this title, for such borrowers maintained by that entity, provided that the information requested is for a borrower who currently attends or previously attended such institution. Information shared will be limited to all information related to and helpful for default prevention of loans originated by requesting school and/or agent thereof including any subsequent consolidation loan that includes loans originated by requesting school and/or agent thereof, including but not limited to identifying information necessary to match the correct borrower and his/her relevant loans; information useful for the purposes of skip tracing; borrower education and servicing information; information useful for teaching financial literacy, practicing early intervention on delinquent accounts, and helping student loan borrowers exercise their payment options, deferment options, and forbearance options; and information used for verification of proper application of payments, alternate payment schedules, deferments, forbearances, death claims, disability claims, bankruptcy claims, and any other activity that could affect an institution's cohort default rate. For the purposes of this section, "student loan information" does not include medical records, bank account numbers, employment histories, salary and credit report information that is not useful for default prevention.

(B) An institution and any third party servicer obtaining access to information under subparagraph (A), including any subcontractor obtaining access to information under subparagraph (C)(iii), shall safeguard that information--

(i) as required by any law applicable to the institution, third party servicer, or subcontractor; and

(ii) at least to the same extent that the disclosing financial institution is required to safeguard its customer information under sections 501 and 505(b) of the Gramm-Leach-Bliley Act (15 U.S.C. 6801, 6805(b)).

(C) Any third party servicer that obtains information under this paragraph--

- (i) shall only use the information in a manner directly related to the default prevention work the servicer is performing on behalf of the institution of higher education;
 - (ii) shall not sell the information to other entities;
 - (iii) shall not share the information with, or transfer the information to, entities other than the borrower, a subcontractor of the third party servicer for purposes of skip tracing, or the institution of higher education referenced in subparagraph (A); and
 - (iv) shall be subject to any regulations established by the Secretary pursuant to section 432 concerning the misuse of such information, including any penalties for such misuse.
- (D) Any requirement under subparagraph (A) to provide student loan information shall be considered an applicable legal requirement for the purposes of section 502(e)(8) of the Gramm-Leach-Bliley Act (15 U.S.C. 6802(e)(8)).
- (E) Any subcontractor obtaining access to information under subparagraph (C)(iii) shall meet the same restrictions that apply to third party servicers under subparagraph (C).