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(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R. _____

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.

IN THE HOUSE OF REPRESENTATIVES

Ms. LEGER FERNÁNDEZ introduced the following bill; which was referred to the Committee on _____

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”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

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

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

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

1 likely to delay getting married and having children
2 due to student loan debt.

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

12 (5) Among college graduates with any out-
13 standing debt for their education, first-generation
14 college graduates tend to owe more. About two-
15 thirds of first-generation college graduates owe at
16 least \$25,000 or more, compared with 57 percent of
17 second-generation college graduates, and 200,000
18 United States service members owe nearly
19 \$3,000,000,000 in student loans.

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

24 (7) Despite the fact that many students and
25 families must make substantial and highly con-

1 sequential decisions about student loan borrowing
2 and face growing college affordability challenges, less
3 than half of States make personal finance a core
4 part of basic education.

5 (8) Just over 2 in 10 non-retirees under age 45
6 have retirement savings that meet their age-specific
7 thresholds. 42 percent of Americans age 18–29 have
8 no retirement savings; 26 percent of those age 30–
9 44; 17 percent of those age 45–59; and 13 percent
10 of those over age 60.

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

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

23 (11) Nearly 1 in 10 student loan borrowers end
24 up in default, and even more struggle to repay their
25 loans, indicating an important need to ensure bor-

1 rowers can access information to help them navigate
2 repayment and succeed financially.

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

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

7 “(n) PERSONAL FINANCE EDUCATION PORTAL.—

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

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

1 “(A) Core personal finance concepts, such
2 as earning, saving, investing, spending, and
3 borrowing, including—

4 “(i) the concept of compound growth
5 as it applies to savings and retirement sav-
6 ings, with information about the different
7 types of retirement savings accounts; and

8 “(ii) budgeting and credit usage.

9 “(B) Managing student loan repayment,
10 including—

11 “(i) the interaction between savings
12 and retirement decisions and Federal stu-
13 dent loan repayment plans;

14 “(ii) Federal student loan discharge
15 or forgiveness options;

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

19 “(iv) tax credits or deductions that
20 are relevant to student loan borrowers in
21 repayment; and

22 “(v) any other Federal policies that
23 significantly impact student loan borrowers
24 in repayment, as determined by the Sec-
25 retary.

1 “(C) Any other personal finance concepts
2 determined relevant by the Secretary, in con-
3 sultation with the Director of the Bureau of
4 Consumer Financial Protection, the Secretary
5 of the Treasury as chair of the Financial Lit-
6 eracy and Education Commission, and the
7 Commissioner of Internal Revenue.

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

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

20 “(5) AUTHORIZATION OF APPROPRIATIONS.—
21 There are authorized to be appropriated such sums
22 as may be necessary to carry out the purposes of
23 this subsection.”.