

116TH CONGRESS  
2D SESSION

# H. R. 8039

To require the Bureau of Consumer Financial Protection to conduct an assessment of the use of certain educational data in determining the creditworthiness of an applicant, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 14, 2020

Ms. FUDGE (for herself and Mrs. BEATTY) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To require the Bureau of Consumer Financial Protection to conduct an assessment of the use of certain educational data in determining the creditworthiness of an applicant, and for other purposes.

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 “Examining Edu-  
5 cational Redlining in Lending Act”.

6 **SEC. 2. ASSESSMENT OF CERTAIN EDUCATIONAL DATA.**

7 (a) ASSESSMENT.—Not later than 180 days after the  
8 date of the enactment of this Act and annually thereafter,

1 the Bureau of Consumer Financial Protection (referred to  
2 in this section as the “Bureau”) shall, in coordination with  
3 relevant executive agencies and national civil rights stake-  
4 holders, assess—

5 (1) the use of certain educational data by cov-  
6 ered persons in determining the creditworthiness of  
7 an applicant;

8 (2) the use of an underwriting process that in-  
9 volves gathering data points and creating applicant  
10 profiles, including automated or algorithmic proc-  
11 esses, and the risks of such use, by covered persons  
12 to determine the creditworthiness of an applicant;  
13 and

14 (3) what policies and guidelines are in place to  
15 ensure decisions do not result in a disparate impact  
16 on a protected class.

17 (b) REPORT TO CONGRESS.—Not later than 60 days  
18 after the completion of each assessment required under  
19 subsection (a) and annually thereafter, the Bureau shall  
20 submit to the Committee on Financial Services of the  
21 House of Representatives and the Committee on Banking,  
22 Housing, and Urban Affairs of the Senate the findings  
23 of such assessment and any recommendations based on  
24 such findings.

1 (c) PUBLICATION.—Not later than 30 days after the  
2 completion of the assessment required under subsection  
3 (a), the Bureau shall make available on a publicly acces-  
4 sible website—

5 (1) the findings of the assessment under sub-  
6 section (a);

7 (2) a list of all covered persons that use certain  
8 educational data; and

9 (3) a list of all covered persons that use an un-  
10 derwriting process that involves gathering data  
11 points and creating applicant profiles, including  
12 automated or algorithmic processes, to determine the  
13 creditworthiness of an applicant.

14 (d) DEFINITIONS.—In this section:

15 (1) APPLICANT’S BACKGROUND.—The term  
16 “applicant’s background” includes data related to or  
17 derived from the following:

18 (A) Attendance at an academic institution.

19 (B) Academic majors pursued at an aca-  
20 demic institution.

21 (C) Grades or test scores from or used for  
22 admission into an academic institution.

23 (D) Educational attainment.

24 (2) CERTAIN EDUCATIONAL DATA.—The term  
25 “certain educational data” means data, including

1 non-individualized data, that indicates or is created,  
2 derived, or inferred from an applicant’s background  
3 including whether an applicant has attended any of  
4 the following:

5 (A) An eligible institution.

6 (B) A junior or community college.

7 (3) COVERED PERSON.—The term “covered  
8 person” has the meaning given such term in section  
9 1002 of the Consumer Financial Protection Act of  
10 2010 (12 U.S.C. 5481).

11 (4) ELIGIBLE INSTITUTION.—The term “eligi-  
12 ble institution” has the meaning given that term in  
13 section 371(a) of the Higher Education Act of 1965  
14 (20 U.S.C. 1067q(a)).

15 (5) JUNIOR OR COMMUNITY COLLEGE.—The  
16 term “junior or community college” has the meaning  
17 given that term in section 312(f) of the Higher Edu-  
18 cation Act of 1965 (20 U.S.C. 1058(f)).

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