To provide a consumer protection framework necessary to support the growth of accessible, affordable, and accountable financing options for postsecondary education, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. Young introduced the following bill; which was read twice and referred to the Committee on ____________________

A BILL

To provide a consumer protection framework necessary to support the growth of accessible, affordable, and accountable financing options for postsecondary education, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “ISA Student Protection Act of 2023”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.
Sec. 3. Effective date.
TITLE I—NEW CONSUMER PROTECTIONS SPECIFIC TO INCOME SHARE AGREEMENTS

Sec. 101. Prohibition on acceleration; treatment of early completion mechanisms.
Sec. 102. Consumer protections for educational income share agreements.
Sec. 103. Discharge protections for ISA recipients.
Sec. 104. Limitation on amounts treated as income under educational ISAs.

TITLE II—TAX TREATMENT OF INCOME SHARE AGREEMENTS

Sec. 201. Tax treatment.

TITLE III—DISCLOSURES APPLICABLE TO INCOME SHARE AGREEMENTS

Sec. 301. Disclosures.
Sec. 302. Required disclosures for income share agreements.
Sec. 303. Additional requirements for educational ISAs.
Sec. 304. Advertising of income share agreements.

TITLE IV—OTHER CLARIFICATIONS TO SUPPORT ISA PROGRAMS

Sec. 401. Treatment under securities laws.
Sec. 402. Treatment under bankruptcy laws.
Sec. 403. Consent to continuing release of taxpayer information under educational ISAs and income share agreements.
Sec. 404. Interplay with the Higher Education Act of 1965.

TITLE V—APPLYING EXISTING CONSUMER PROTECTIONS TO INCOME SHARE AGREEMENTS

Sec. 501. Equal access to income share agreements.
Sec. 502. Prohibition on requiring preauthorized electronic fund transfers under the Electronic Fund Transfer Act.
Sec. 503. Treatment under the Fair Credit Reporting Act.
Sec. 504. Treatment under the Fair Debt Collection Practices Act.
Sec. 505. Treatment of educational income share agreements for purposes of Military Lending Act.
Sec. 506. Treatment under the Servicemembers Civil Relief Act.
Sec. 507. Preservation of consumers’ claims and defenses.

TITLE VI—RELATION TO OTHER LAWS

Sec. 601. Treatment under other laws.
Sec. 602. Relation to State law.

TITLE VII—ENFORCEMENT AND REPORTING

Sec. 701. Enforcement.
Sec. 702. Reporting requirement for the Bureau of Consumer Financial Protection.

1 SEC. 2. DEFINITIONS.

2 In this Act:
(1) ADVERSE ACTION.—The term “adverse action”—

(A) means a denial or revocation of rights under an income share agreement, a change in the terms of an existing income share agreement, or a refusal to grant an income share agreement in substantially the amount or on substantially the terms requested; and

(B) does not include a refusal to extend additional disbursements or amounts financed under an income share agreement under an existing income share agreement arrangement if—

(i) the applicant is delinquent or otherwise in default; or

(ii) such additional amounts would exceed a previously established limit on the amount financed.

(2) AMOUNT FINANCED.—The term “amount financed” means, with respect to an income share agreement, the amounts credited or advanced by the ISA provider to the ISA recipient or on behalf of the ISA recipient.

(3) ANNUAL PERCENTAGE RATE.—The term “annual percentage rate” means the annual percent-
age rate described in section 1026.22(a) of title 12, Code of Federal Regulations.

(4) Applicant.—The term “applicant” means, with respect to an income share agreement, any individual who applies to an ISA provider directly or indirectly for an extension, renewal, or continuation of an income share agreement and includes applications for an additional amount exceeding a previously established limit on the amount financed.

(5) Bureau.—The term “Bureau” means the Bureau of Consumer Financial Protection.

(6) Comparable Loan.—The term “comparable loan” means, with respect to an income share agreement, a loan that—

(A) has an amount financed, as described in section 1026.18(b) of title 12, Code of Federal Regulations, that is equal to the total amount financed, as defined in paragraph (2), for the income share agreement;

(B) has—

(i) the same disbursements or financing dates, payment start date, and frequency of payments as the income share agreement; and
(ii) an expected number of payments
equal to the ISA maximum number of pay-
ments; and

(C) is fully amortized over the ISA dura-
tion, with substantially equal periodic payments
of principal and interest.

(7) CONSUMER.—The term “consumer” means
a natural person using an income share agreement
for personal, family, or household purposes.

(8) CONSUMER PROTECTION REGULATION.—
The term “consumer protection regulation” means a
regulation that the Bureau is authorized to prescribe
under Federal consumer financial law, as defined in
section 1002 of the Consumer Financial Protection

(9) COVERED EDUCATIONAL INSTITUTION.—
The term “covered educational institution”—
(A) means—

(i) an educational institution that
would be an institution of higher edu-
cation, if such determination was made
without regard to the institution’s accredi-
tation status; and

(ii) an institution-affiliated organiza-
tion, as defined in section 151 of the High-
er Education Act of 1965 (20 U.S.C. 1019); and

(B) includes an agent, officer, or employee of the institution of higher education or institution-affiliated organization.

(10) DATE OF THE ISA.—The term “date of the ISA” means the date that is the later of—

(A) the date on which the income share agreement is signed by the ISA recipient and the ISA provider; or

(B) the date on which the income share agreement is accepted by the ISA recipient and the ISA provider.

(11) DIRECTOR.—The term “Director” means the Director of the Bureau.

(12) DISBURSEMENT.—The term “disbursement”, when used with respect to an income share agreement, means the advance of ISA financing to an ISA recipient or the advancing of ISA financing to a third party on the ISA recipient’s behalf.

(13) EDUCATIONAL ISA; EDUCATIONAL INCOME SHARE AGREEMENT.—The term “educational ISA” or “educational income share agreement”—

(A) means an income share agreement that—
(i) is not made, insured, or guaranteed under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) or another federally subsidized educational finance program;

(ii) pays amounts to, or on behalf of, the ISA recipient for—

(I) costs associated with a post-secondary training program, or any other program designed to increase the individual’s human capital, employability, or earning potential (and not limited to programs eligible to participate under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.));

(II) any personal expenses (such as books, supplies, transportation, and living costs) incurred by the individual while enrolled in a program described in subclause (I);

(III) any other costs or expenses included in the definition of a “qualified higher education expense”, as de-
fined in section 529(e)(3)(A) of the Internal Revenue Code of 1986; and

(IV) the refinancing of loans or income share agreements used for the purposes described in subclauses (I) through (III), and without regard as to whether the income share agreement is provided by the educational institution that the ISA recipient attends; and

(B) does not include a loan, open-end credit, or any loan or income share agreement that is secured by real property or a dwelling.

(14) EDUCATION LOAN.—The term “education loan” means—

(A) a loan made, insured, or guaranteed under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) or any other loan made, insured, or guaranteed by the Federal Government; or

(B) a private education loan, as such term is defined in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)).

(15) INCOME.—The term “income” means the ISA Recipient’s income, as established in the income
share agreement under section 302(d)(8), subject to section 104.

(16) INCOME SHARE AGREEMENT.—

(A) IN GENERAL.—The term “income share agreement” means a financial product whereby—

(i)(I) the ISA provider credits or advances financing to the ISA recipient or to a third party on behalf of the ISA recipient; or

(ii) if the ISA provider is a merchant financing the sale of goods or services to the ISA recipient via the financial product, the ISA provider credits the amount financed toward the purchase of such goods or services;

(iii) the ISA recipient’s obligation to make payments (if any become due) to the ISA provider is conditional on the ISA recipient’s income exceeding the income
threshold set in the income share agreement;

(iv) there is an ISA duration after which the obligation is complete regardless of how much has been paid (as long as the ISA recipient has paid any prior amounts due);

(v) the ISA provider and the ISA recipient enter into an agreement that, as of the date of the ISA, includes each element described in clauses (i) through (iv); and

(vi) the agreement states that it is an income share agreement and subject to this Act.

(B) SPECIAL RULE.—If a provider offers a financial product that meets the requirements of clauses (i) through (v) but does not include the statement described in clause (vi), then the financial product is not an income share agreement and shall be considered credit.

(17) INCOME THRESHOLD.—The term “income threshold” means a fixed dollar amount that is the minimum income per payment period that an ISA recipient is required to earn before the ISA recipient
is required to make a payment on an income share
agreement for such payment period.

(18) INSTITUTION OF HIGHER EDUCATION.—
The term “institution of higher education” has the
meaning given the term in section 102 of the Higher

(19) ISA DURATION.—The term “ISA dura-
tion” means the maximum length of time during
which the income of an ISA recipient can be subject
to an ISA payment (absent periods of payment relief
pause at the request of the ISA recipient).

(20) ISA FINANCING.—The term “ISA financ-
ing” means the disbursement of funds by an ISA
provider under an income share agreement.

(21) ISA MAXIMUM NUMBER OF PAYMENTS.—
The term “ISA maximum number of payments”
means the maximum number of ISA payments (dur-
ing ISA payment periods in which the ISA recipi-
ent’s income is greater than the income threshold)
that an ISA recipient could be required to make.

(22) ISA PAYMENT.—The term “ISA pay-
ment”—

(A) means the amount of an ISA recipi-
ent’s periodic payment obligation, based on the
terms of the income share agreement, during
any payment period for which the ISA recipi-
ent’s income is greater than the income thresh-
old; and

(B) is calculated using the ISA payment
calculation method, based on the ISA recipi-
ent’s income for the specified period.

(23) ISA PAYMENT CALCULATION METHOD.—
The term “ISA payment calculation method” means
the ISA percentage, or the schedule of fixed dollar
amounts based on the ISA recipient’s income for a
payment period, that is used to calculate an ISA re-
cipient’s ISA payment under the income share
agreement.

(24) ISA PAYMENT WINDOW.—The “ISA pay-
ment window” means the period during which the
ISA recipient is required to make ISA payments in
periods where the ISA recipient’s income is greater
than the income threshold for the income share
agreement.

(25) ISA PERCENTAGE.—The term “ISA per-
centage” means a percentage of income (or schedule
of percentages of income based on the ISA recipi-
ent’s income in a given ISA payment period) used
to calculate an ISA recipient’s ISA payment pursu-
ant to an income share agreement.
(26) ISA PROVIDER.—The term “ISA provider” means a person that provides financing to an ISA recipient pursuant to an income share agreement or, in the case of a person who is a merchant financing the sale of goods or services to the ISA recipient, the merchant.

(27) ISA RECIPIENT.—The term “ISA recipient” means a consumer that receives financing from an ISA provider pursuant to an income share agreement.

(28) LOAN.—The term “loan” means a financial product that—

(A) is credit, as defined in section 1026.2(a) of title 12, Code of Federal Regulations;

(B) is not an income share agreement; and

(C) involves the advance of a sum of money to a borrower under an obligation to repay the principal with a corresponding right to defer payment of the principal balance with or without interest.

(29) LOAN COMPARISON.—The term “loan comparison” means the comparison table required under section 302(d)(9).
(30) Payment relief pause.—The term “payment relief pause” means a period of time that—

(A) is requested by the ISA recipient during which any payment obligation the ISA recipient would have is suspended; and

(B) does not count toward an ISA recipient’s ISA payment window or ISA maximum number of payments.

(31) Person.—The term “person” means a natural person or an organization, including a corporation, partnership, proprietorship, association, cooperative, estate, trust, or government unit.

(32) Poverty line.—The term “poverty line” has the meaning given the term in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902).

(33) Secretary.—The term “Secretary” means the Secretary of Education.

(34) State.—The term “State” means the several States of the United States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Federated States of Micro-
nesia, the Republic of the Marshall Islands, and the Republic of Palau.

(35) STATE LAW.—The term “State law” means—

(A) any law, decision, rule, regulation, or other action having the effect of a law of any State or any political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State; and

(B) any law of the United States applicable only to the District of Columbia.

SEC. 3. EFFECTIVE DATE.

This Act, and the amendments made by this Act, shall take effect on the date that is 180 days after the date of enactment of this Act.

TITLE I—NEW CONSUMER PROTECTIONS SPECIFIC TO INCOME SHARE AGREEMENTS

SEC. 101. PROHIBITION ON ACCELERATION; TREATMENT OF EARLY COMPLETION MECHANISMS.

(a) No Acceleration.—

(1) In general.—An ISA provider shall not include any mechanism in an income share agreement that accelerates an amount against an ISA re-
recipient in the event of a default under the income share agreement.

(2) Effect of Acceleration Clause.—Any agreement with an acceleration mechanism described in paragraph (1) shall, for purposes of all Federal law, be treated as credit under Federal law and shall not be treated as an income share agreement.

(b) No Impact on Early Completion Mechanisms.—Notwithstanding subsection (a)—

(1) an income share agreement may contain an early completion provision that allows the ISA recipient to terminate the income share agreement prior to any trigger terminating further obligations under the income share agreement (such as a total cap on payments due to the ISA provider or other rights to partially or fully terminate further obligations under the income share agreement) if the early completion provision is optional to the ISA recipient and within the ISA recipient’s control; and

(2) such early completion mechanism shall not be treated as a form of acceleration prohibited under subsection (a), an early completion penalty, or a pre-payment penalty.
SEC. 102. CONSUMER PROTECTIONS FOR EDUCATIONAL INCOME SHARE AGREEMENTS.

(a) Monthly Payment Affordability for Educational ISAs.—

(1) Maximum ISA Income Obligation for Educational ISAs.—An ISA provider shall not enter into an educational ISA with an ISA recipient if the ISA recipient would be committing more than a total of 20 percent of the student’s future income toward the payment of such educational ISA and all other educational ISAs of the ISA recipient.

(2) Self-Certification.—In calculating the portion of a student’s future income for purposes of this subsection, the ISA provider may rely on a self-certification from the ISA recipient regarding the ISA recipient’s outstanding educational ISAs, as of the date of the agreement.

(3) Calculation Methodology and Requirements.—

(A) In General.—For the purposes of calculating the portion of an ISA recipient’s future income that would be consumed by the educational ISA for which the ISA recipient has applied and all other educational ISAs of the ISA recipient as of the date of the agreement,
the ISA provider shall calculate the aggregate future burden—

(i) in any case where the income threshold of the educational ISA is less than the maximum described in subparagraph (B), at hypothetical future income levels from such income threshold to such maximum, in increments of $10,000; and

(ii) in any case where the income threshold of the educational ISA is equal to or greater than such maximum, at such income threshold.

(B) MAXIMUM.—The maximum described in this subparagraph shall be the greater of—

(i)(I) for fiscal year 2023, $70,000; or

(ii) for fiscal year 2024 and each subsequent fiscal year, the maximum for the preceding fiscal year—

(I) increased by the percentage increase in the consumer price index; and

(II) rounded to the nearest $1,000; and

(iii) in the case of an ISA recipient who has (as of the date of the agreement),
or has applied for, an educational ISA that uses a schedule of income percentages or a schedule of fixed amounts as the ISA payment calculation method, the highest income level referenced by a schedule for any such educational ISA.

(C) CALCULATION.—

(i) IN GENERAL.—The terms of an educational ISA for which the ISA recipient has applied cannot cause the student’s aggregate future burden (defined as the total amounts expected to be due under all educational ISAs of the ISA recipient as of the date of the agreement, and all educational ISAs for which the ISA recipient is applying) to exceed the limit in paragraph (1) at any of the income increments described in subparagraph (A).

(ii) CALCULATION METHOD.—For the purpose of calculating the percentage burden of an educational ISA at a given future income level, the ISA provider shall, as applicable, use—
(I) the income percentage that would be applicable for the educational ISA at such income level; or

(II) the fixed amount applicable for the educational ISA at such income level, divided by such income level.

(4) Protections during periods of low earnings.—

(A) In general.—The educational ISA shall provide that when an ISA recipient has an income that is equal to or below the income threshold of the educational ISA, the ISA payment obligation is zero dollars.

(B) Threshold amount.—The income threshold for an educational ISA shall be an amount such that the difference between the ISA recipient’s income for the payment period, minus the subtraction of any ISA obligation, is not less than 200 percent of the poverty line for a single person (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902)), prorated for the payment period.
(5) Required payment relief pauses.—An educational ISA shall offer not less than 3 months of voluntary payment relief pauses (as long as the ISA recipient’s current income at the time of requesting the payment relief pause is equal to or less than 400 percent of the poverty line) for a single individual for every 30 income-determined payments required under the educational ISA.

(b) Ensuring appropriate risk sharing for educational ISAs.—The payments required under an educational ISA for an individual with income during the payment term that is less than or equal to 300 percent of the poverty line for a single individual, prorated for the payment period, shall not exceed the payments on a comparable loan that bears interest at a rate less than or equal to one-half of the annual percentage rate of interest limitation under section 987(b) of title 10, United States Code.

(c) Limits on duration of educational ISA obligation.—

(1) ISA maximum number of payments.—The ISA maximum number of payments shall not exceed 240 monthly payments.

(2) ISA duration.—The ISA duration of an educational ISA shall not exceed 360 months (except
in the case of an extension requested by the ISA recipient).

(d) NON-INTERFERENCE.—An educational ISA shall not be construed to give the contract holder any rights over an individual’s actions other than as provided in this Act.

SEC. 103. DISCHARGE PROTECTIONS FOR ISA RECIPIENTS.

(a) PERMANENT AND TOTAL DISABILITY.—In any case where an ISA recipient would be deemed totally and permanently disabled for purposes of benefits administered by the Department of Veterans Affairs or the Social Security Administration (determined without regard to whether the recipient receives such benefits), all further obligations of the ISA recipient under the income share agreement shall terminate, except those accruing before the date such a determination would apply.

(b) DEATH.—Upon the death of an ISA recipient, all further obligations of the ISA recipient under the income share agreement shall terminate, except those obligations accruing before the ISA recipient’s date of death.

SEC. 104. LIMITATION ON AMOUNTS TREATED AS INCOME UNDER EDUCATIONAL ISAS.

(a) IN GENERAL.—For purposes of calculating the obligation of an ISA recipient to make ISA payments
under an educational ISA, the income of the ISA recipient shall not include—

(1) the income of any child or dependent of the ISA recipient;

(2) any item of income which is not included in the gross income of the ISA recipient;

(3) any amount received from an individual retirement plan (as defined in section 7701 of the Internal Revenue Code of 1986), a pension, or an annuity; or

(4) any social security benefit (as defined in section 86 of such Code).

(b) Estimating Income.—

(1) In general.—In the event that an ISA recipient fails to provide income documentation as reasonably required by the income share agreement, an ISA provider may assign an amount of income to the participant and compute the monthly payment amount for the participant by any of the following methods, to the extent disclosed in the income share agreement:

(A) Assigning an income amount obtained from a reasonably reliable third party or a consumer reporting agency, as defined in section
603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)).

(B) If the participant previously provided income documentation or has had an income assigned in the preceding 1-year period, assuming that such income has increased by up to 10 percent, but such increase may not be applied more than once per 1-year period.

(C) Contacting the employer of the participant, or any person or entity reasonably believed to the employer of the participant, to obtain, verify, or update the income information of the participant.

(D) Contacting the State revenue department or the Internal Revenue Service to obtain the most recent information available about the income of the participant.

(E) For educational ISA providers, in any case where the ISA provider has no prior history of income information from the participant, assigning a reasonable qualified income based on—

(i) the median income for individuals working in the profession for which the educational program of the participant was
intended to prepare the participant, as determined by information published by the Bureau of Labor Statistics or other reasonably reliable publicly available data sources; or

(ii) the median income of participants who attended the same or a reasonably comparable covered educational program or course of study, as determined by information published by the Bureau of Labor Statistics or other reasonably reliable publicly available data sources.

(2) NOTIFICATION.—If an ISA provider assigns an income to the income share agreement of a participant, the ISA provider—

(A) shall notify the participant in the monthly billing statement, and in each billing statement thereafter while the assigned income remains applicable to the income share agreement of the participant, that income has been assigned and of the rights of the participant under this section;

(B) in any tax year for which the ISA provider has made an assumption about an individual’s income using any of the methods de-
scribed in paragraph (1) and if the participant has authorized ongoing access to the participant’s return information under section 403, shall request such information in each year of the payment term;

(C) if the participant does provide income information as reasonably required by the income share agreement within 1 year of the date on which the ISA provider notified the participant that assigned income shall be applied to the income share agreement or if the ISA provider receives updated income information through return information authorized under section 403, then, within 15 days after the date on which the ISA provider receives such information, shall—

(i) update each prior instance in which assigned income was applied using such new income information; and

(ii) reconcile any difference in amounts owed by the participant based on those updates to prior income; and

(D) if the participant provides income information more than 1 year after the ISA provider first assigned income to the income share
agreement of the participant, may, but shall not
be obligated to, update each prior instance in
which assigned income was applied using the in-
come information provided by the participant.

(3) RECORDS RETENTION.—An ISA provider
that assigns income to an income share agreement
shall retain all applicable records relating to the
method and data sources used to make such esti-
mation for 3 years after the end of that income
share agreement.

TITLE II—TAX TREATMENT OF
INCOME SHARE AGREEMENTS

SEC. 201. TAX TREATMENT.

(a) IN GENERAL.—Subchapter B of chapter 1 of the
Internal Revenue Code of 1986 is amended by adding at
the end the following:

“PART XII—RULES RELATING TO QUALIFIED
EDUCATIONAL INCOME SHARING AGREEMENTS

“Sec. 293. Rules related to qualified educational ISAs.

“SEC. 293. RULES RELATED TO QUALIFIED EDUCATIONAL
ISAS.

“(a) IN GENERAL.—For purposes of this title, an
educational ISA shall not be treated as indebtedness.

“(b) TREATMENT OF ISA RECIPIENT.—
“(1) INCOME EXCLUSION.—In the case of an individual—

“(A) IN GENERAL.—Gross income shall not include so much of the amount received under an educational ISA as does not exceed amounts paid or credited to such individual under such qualified educational ISA for costs and expenses described in section 2(13)(A)(ii)(II) of the ISA Student Protection Act of 2023.

“(B) DIFFERENCE IN PAYMENTS.—In any case in which the amount provided to the individual under the educational ISA exceeds the total payments made by the individual under the educational ISA, gross income shall not include the amount of such excess.

“(2) CERTAIN AMOUNTS TREATED AS INTEREST ON QUALIFIED EDUCATION LOANS.—

“(A) IN GENERAL.—For purposes of section 221, the amount described in subparagraph (B) with respect to any educational ISA shall be treated as interest paid by the taxpayer during the taxable year on a qualified education loan.
“(B) AMOUNT DESCRIBED.—The amount described in this subparagraph with respect to any educational ISA is, for any taxable year, the excess of—

“(i) amounts paid by the taxpayer to another person under the terms of a qualified educational ISA during such taxable year, over

“(ii) the excess of—

“(I) the aggregate amount received under such qualified educational ISA during such taxable year and all preceding taxable years, over

“(II) the aggregate amounts paid by the taxpayer to another person under the terms of such qualified educational ISA during all preceding taxable years.

“(3) AMOUNTS TREATED AS EDUCATIONAL ASSISTANCE.—For purposes of section 127(c)(1)(B), amounts paid by an employer in satisfaction of obligations of an employee under a qualified educational ISA shall be treated in the same manner as a payment of principal or interest on a qualified education loan.
“(c) Treatment of ISA Fund.—Gross income shall not include so much of any amount received as a payment from a recipient under an educational ISA funded by the taxpayer as does not exceed the excess of—

“(1) the aggregate amount of financing provided by the taxpayer under such educational ISA, over

“(2) the aggregate amount of such payments taken into account under this subsection by the taxpayer for all preceding taxable years.

“(d) Definitions.—For purposes of this section—

“(1) Educational ISA.—The term ‘educational ISA’ has the meaning given such term under section 2 of the ISA Student Protection Act of 2023.

“(2) Qualified Educational ISA.—The term ‘qualified educational ISA’ means an educational ISA that is extended for expenses at an institution of higher education that participates in a student financial assistance program under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).”.

(b) Conforming Amendment.—The table of parts for subchapter B of chapter 1 of the Internal Revenue
Code of 1986 is amended by adding at the end the following new item:

“PART XII—RULES RELATING TO QUALIFIED EDUCATIONAL INCOME SHARING AGREEMENTS”.

TITLE III—DISCLOSURES APPLICABLE TO INCOME SHARE AGREEMENTS

SEC. 301. DISCLOSURES.

The following disclosures shall be provided to ISA recipients:

(1) IN GENERAL.—An ISA provider (regardless of whether the ISA provided is an educational ISA) shall provide, to any individual that applies for or signs an income share agreement, a written document that clearly and simply discloses the information required by this Act.

(2) APPLICATION.—The provisions of this title shall not apply to—

(A) income share agreements primarily for business, commercial, or agricultural purposes;

(B) government or governmental agencies or instrumentalities;

(C) organizations; or

(D) transactions for which the Bureau, by rule, determines that coverage under the provi-
sions of this title are not necessary to carry out
the purposes of this title.

(3) REGULATIONS.—Not later than 270 days
after the date of enactment of this Act, the Bureau
shall prescribe regulations to carry out the purposes
of this title, which may contain such additional re-
quirements, classifications, differentiations, or other
provisions, and may provide for such adjustments
and exceptions for all or any class of transactions,
as in the judgment of the Bureau are necessary or
proper to effectuate the purposes of this title, to pre-
vent circumvention or evasion thereof, or to facilitate
compliance therewith.

(4) MODEL DISCLOSURE FORMS AND
CLAUSES.—

(A) IN GENERAL.—Not later than 270
days after the date of enactment of this Act,
the Bureau shall publish a model integrated
disclosure for educational ISAs and a model in-
tegrated disclosure for income share agreements
generally in order to facilitate compliance with
the disclosure requirements of this Act and aid
ISA recipients in understanding the transaction
by utilizing readily understandable language to
simplify the technical nature of the disclosures.
(B) CONSIDERATION.—In devising the disclosure forms required under subparagraph (A), the Bureau shall consider the use by ISA providers of data processing or similar automated equipment.

(C) RULE OF CONSTRUCTION.—Nothing in this title may be construed to require an ISA provider to use any model form or clause published by the Bureau under this section.

(D) COMPLIANCE.—An ISA provider shall be deemed to be in compliance with the disclosure provisions of this title with respect to other than numerical disclosures if the ISA provider—

(i) uses any appropriate model form or clause as published by the Bureau under this section; or

(ii) uses any such model form or clause and changes the form or clause by—

(I) deleting any information that is not required under this title; or

(II) rearranging the format, if in making such deletion or rearranging the format, the ISA provider does not
affect the substance, clarity, or meaningful sequence of the disclosure.

(5) Procedures applicable for adoption of model forms and clauses.—Model disclosure forms and clauses under this section shall be adopted by the Bureau after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

(6) Effective dates of regulations containing new disclosure requirements.—

(A) In general.—Any regulation of the Bureau, or any amendment or interpretation thereof, requiring any disclosure which differs from the disclosures previously required by this title or any regulation of the Bureau promulgated under this title shall have an effective date of that October 1 which follows by not less than 6 months the date of promulgation, except that the Bureau may at its discretion take interim action by regulation, amendment, or interpretation to lengthen the period of time permitted for ISA providers to adjust their forms to accommodate new requirements or shorten the length of time for ISA providers to make
such adjustments when the ISA provider makes
a specific finding that such action is necessary
to comply with the findings of a court or to pre-
vent unfair or deceptive disclosure practices.

(B) COMPLIANCE.—Notwithstanding sub-
paragraph (A), any ISA provider may comply
with any such newly promulgated disclosure re-
quirements prior to the effective date of the re-
quirements.

(7) DEFERENCE.—Notwithstanding any power
granted to any Federal agency under this Act, the
deference that a court affords to the Bureau with re-
spect to a determination made by the Bureau relat-
ing to the meaning or interpretation of any provision
of this Act, shall be applied as if the Bureau were
the only agency authorized to apply, enforce, inter-
pret, or administer the provisions of this Act.

SEC. 302. REQUIRED DISCLOSURES FOR INCOME SHARE
AGREEMENTS.

(a) DISCLOSURES REQUIREMENTS FOR ALL ISAS.—

(1) IN GENERAL.—The ISA provider shall make
the disclosures required by this section clearly and
conspicuously in writing, in a form that the ISA re-
cipient may retain.
(2) **Electronic Form.**—The disclosures required by this section may be provided to the ISA recipient in electronic form in accordance with the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001 et seq.).

(3) **Other Requirements.**—The disclosures required by this section shall—

(A) be grouped together;

(B) be segregated from anything that is not such a disclosure; and

(C) only contain information directly related to the disclosures required under this section.

(b) **Use of Estimates.**—If any information necessary for an accurate disclosure is unknown to the ISA provider, the ISA provider shall make the disclosure based on the best information reasonably available at the time the disclosure is provided to the ISA recipient, and shall state clearly that the disclosure is an estimate.

(c) **Multiple ISA Providers, Multiple ISA Recipients.**—

(1) **Multiple ISA Providers.**—In any case where an income share agreement transaction involves more than one ISA provider, only one set of disclosures shall be given and the ISA providers
shall agree among themselves which ISA provider shall comply with the requirements that this title imposes on any or all of the ISA providers.

(2) MULTIPLE ISA RECIPIENTS.—In any case where an income share agreement transaction has more than one ISA recipient, the disclosures may be made to any ISA recipient whose income will be used to calculate the ISA payments due to the ISA provider.

(d) CONTENT OF DISCLOSURES.—An ISA provider of an income share agreement (regardless of whether the income share agreement is an educational ISA) shall provide, to any person that applies for or signs a consumer income share agreement, a written document that clearly and simply discloses the following information:

(1) A statement that the income share agreement is not a fixed payment installment loan, and that the amount the ISA recipient will be required to pay under the income share agreement may be more or less than the amount financed by the ISA provider and will vary in proportion to the ISA recipient’s future income. An ISA provider may satisfy the requirements of this paragraph by providing a table that compares periodic payments under the income share agreement at different income levels.
showing that payments vary with income, or that also compares such periodic payments under the ISA at different income levels with a loan product.

(2) In the case of an educational ISA, the following statement: “This income share agreement is not a grant or scholarship. If your income is above the Income Threshold, you will have to make payments under this income share agreement.”.

(3) The following statement: “Payments due under this income share agreement are determined by your income. Your payments are calculated using the ISA Payment Calculation Method described in your ISA. The amount you pay may be more than, equal to, or less than the amount financed.”.

(4) In a series of boxes or other device designed to feature the following information more prominently than elsewhere in the income share agreement disclosures, the following information:

(A) The term “Amount Financed” and the dollar amount of the amount funded, followed by a description that states, “The amount of funds you will receive or that will be credited on your behalf.”.

(B) The term “ISA Payment Calculation Method” and the following:
(i) In the case of an ISA payment calculation method that is a percentage (or schedule of percentages), such percentage (or schedule of percentages) followed by a description that states, “The percentage of your income used to calculate your ISA Payment.” and, if the ISA payment calculation method is a schedule of percentages, an explanation of where the ISA recipient can learn more about how the ISA recipient’s income percentage is determined.

(ii) In the case of an ISA payment calculation method that is a schedule of fixed dollar amounts calculated based on the ISA recipient’s income for a payment period, the schedule of fixed amounts (or a reference to the location of the schedule in the ISA) followed by a description that states, “The amount of your ISA Payment will vary based on your income. See your ISA for more information.”.

(C) The term “Maximum Number of Income-Determined Payments” and the ISA maximum number of payments, followed by a de-
scription that states, “The maximum number of ISA payments you will make when your income is above the Income Threshold.”.

(D) The term “Maximum Duration” and the ISA duration, followed by a description that states, “The maximum amount of time that you are required to make income-determined payments, excluding any extensions that you request.”.

(E) The term “Income Threshold” and the income threshold for the income share agreement, followed by a description that states, “The minimum income you must make in order to trigger a payment obligation under this income share agreement. If your income is less than or equal to this Income Threshold, you will not owe any ISA payments for that period.”.

(5) A statement that during periods in which the ISA recipient’s income is not above the income threshold—

(A) the ISA recipient will not owe an ISA payment for that period of time; and

(B) any such period of non-payment will not count towards the ISA maximum number of
payments but will count toward the ISA duration.

(6) A statement that the obligations of the ISA recipient under the income share agreement would be dischargeable in a case under title 11, United States Code, in the same manner as a loan that is not described in section 523(a)(8) of title 11, United States Code.

(7) A description of the terms under which the obligations of the ISA recipient under the income share agreement shall be extinguished in advance of the full ISA duration.

(8) The definition of income to be used for purposes of calculating the ISA recipient’s obligation under the income share agreement, subject to section 104(a).

(9) A comparison table that includes the following:

(A)(i) The amounts and number of ISA payments that an ISA recipient would be required to pay under the income share agreement at a range of annual income levels stated as both a monthly and annual income amount.

(ii) The income levels used in the disclosure under this paragraph shall include, at a
minimum, the obligations for the ISA recipient—

(1) with no income;

(II) with income at the income threshold; and

(III) for various income scenarios, including, at a minimum, calculations at annual incomes of $40,000, $60,000, $80,000, $100,000, $125,000, $150,000, $175,000, and $200,000.

(iii) The comparison table under this paragraph shall include the following statement: “This table assumes you have the same Income over the entire term of your income share agreement. It does not take into account changes in Income. Your Income will likely change over time.”.

(B) The total of all ISA payments over the life of the income share agreement that the ISA recipient will have made in each of the income level scenarios described in subparagraph (A).

(C) The amounts and number of payments, the total of all payments, and the annual percentage rate required to be paid under
one or more comparable loans, including, at a minimum—

(i) if elected by the Bureau, a loan at a fixed or variable rate and with a number of payments determined by the Bureau to be an approximation of the fixed or variable interest rate available to ISA recipients in the private marketplace;

(ii) for an educational ISA, a comparable loan made under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) (including subsidized and unsubsidized scenarios), if the individual would be eligible for such a loan; and

(iii) for an income share agreement that is not an educational ISA, a loan or loans that the ISA provider believes, in good faith, represents other alternative loan options available for the ISA recipient.

(10) A statement of the intent of the ISA provider to engage in an annual process of reconciliation to determine if the ISA recipient’s ISA payments for the preceding year are more than, equal
to, or less than the ISA payments owed under the income share agreement, including—

(A) a description of the process in which the ISA recipient must participate in order for the ISA provider to verify the ISA recipient’s income; and

(B) a description of any tax records or forms that the ISA recipient must execute or that the ISA provider intends to submit to the Internal Revenue Service.

(11) A disclosure of the following items, to the extent applicable:

(A) The amount that is or will be paid directly to the ISA recipient.

(B) The amount that is or will be credited to the ISA recipient’s account to discharge obligations owed to the ISA provider.

(C) Each amount that is or will be paid to third persons by the ISA provider on the ISA recipient’s behalf, together with an identification of or reference to the third person.

(D) The total amount of any charges that will be paid by the ISA recipient before or at the time of the consummation of the trans-
action, or have been withheld from the proceeds
of the income share agreement.

(12) The name and mailing address of the ISA
provider.

(13) A payment schedule that—

(A) shows the date upon which the first
ISA payment is expected to be due or, if such
date is not reasonably knowable—

(i) an estimated date using the best
information available to the ISA provider;
or

(ii) a statement of the events that will
trigger the first payment; and

(B) reflects each date thereafter during the
ISA duration that an ISA payment may be due.

(e) ADDITIONAL DISCLOSURE ELEMENTS.—The Di-
rector may, through a rulemaking process—

(1) add additional items to be disclosed under
subsection (d) if consumer testing shows those ele-
ments would help consumers better understand the
nature of the ISA obligation or better compare it
with other products; and

(2) require that additional income scenarios be
included in the comparison table under paragraph
(9)(A)(ii)(III), taking into account the income levels
the ISA recipient might reasonably be expected to
to make given the intended use of the funds provided
under the income share agreement, except in no case
shall the number of scenarios exceed 20.

SEC. 303. ADDITIONAL REQUIREMENTS FOR EDUCATIONAL
ISAS.

(a) ADDITIONAL DISCLOSURE TIMING RULES FOR
EDUCATIONAL ISAS.—The following additional provisions
apply to any income share agreement that is an edu-
cational ISA:

(1) APPLICATION AND SOLICITATION.—

(A) IN GENERAL.—The ISA provider of an
educational ISA that is to be used solely for
postsecondary educational expenses shall pro-
vide the disclosures described in subsection
(b)(1) with any application or solicitation for
the educational ISA. For purposes of this sec-
tion, the term “solicitation” means an offer of
an income share agreement that does not re-
quire the potential ISA recipient to complete an
application.

(B) TELEPHONE APPLICATIONS OR SOLICI-
TATIONS.—In the case of a telephone applica-
tion or solicitation for an educational ISA, the
ISA provider shall provide the disclosure by, at its option—

(i) disclosing orally the information described in subsection (b)(1); or

(ii) mailing a copy of the disclosure described in subsection (b)(1) not later than 3 business days after the potential ISA recipient has applied for the educational ISA.

(C) SPECIAL RULE.—For an income share agreement that the ISA recipient may use for multiple purposes including postsecondary educational expenses, the ISA provider need not provide the disclosures required under subsection (b)(1) in the application or solicitation.

(2) APPROVAL DISCLOSURES.—The ISA provider shall provide the disclosures required by subsection (b)(2) before consummation on, or with any notice of approval provided to the applicant for, an educational ISA. If the ISA provider mails notice of approval, the disclosures shall be mailed with the notice. If the ISA provider communicates notice of approval by telephone, the ISA provider shall mail the disclosures not later than 3 business days after providing the notice of approval. If the ISA provider
communicates notice of approval electronically, the
ISA provider shall provide the disclosure, at its op-
tion, either in electronic form in accordance with the
requirements of this title or by mailing the disclo-
sure not later than 3 business days after commu-
nicating the notice of approval. If the ISA provider
communicates approval in person, the ISA provider
shall provide the disclosures to the applicant for an
income share agreement at that time.

(3) **FINAL DISCLOSURES.**—The disclosures re-
quired by subsection (b)(3) shall be provided after
the ISA recipient accepts the income share agree-
ment.

(4) **RECEIPT OF MAILED DISCLOSURES.**—If a
disclosure under paragraph (1), (2), or (3) is mailed
to the potential ISA recipient or ISA recipient, as
the case may be, the potential ISA recipient or ISA
recipient shall be deemed to have received the disclo-
sure 5 business days after the disclosure is mailed.

(5) **BASIS OF DISCLOSURES AND USE OF ESTI-
MATES IN EDUCATIONAL ISAS.**—

(A) **LEGAL OBLIGATION.**—Disclosures
shall reflect the terms of the legal obligation be-
tween the parties.
(B) **ESTIMATES.**—If any information necessary for an accurate disclosure is unknown to the ISA provider, the ISA provider shall make the disclosure based on the best information reasonably available at the time the disclosure is provided, and shall state clearly that the disclosure is an estimate.

(6) **EFFECT OF SUBSEQUENT EVENTS.**—

(A) **APPROVAL DISCLOSURES.**—If a disclosure made under paragraph (2) becomes inaccurate because of an event that occurs after the ISA provider delivers the required disclosures, the inaccuracy is not a violation of this Act, although new disclosures may be required in accordance with this title.

(B) **FINAL DISCLOSURES.**—If a disclosure under paragraph (3) becomes inaccurate because of an event that occurs after the creditor delivers the required disclosures, the inaccuracy is not a violation of this Act.

(b) **ADDITIONAL DISCLOSURES FOR EDUCATIONAL ISAs.**—In addition to the other disclosure requirements of this title, an ISA provider of an educational ISA shall provide the disclosures required under this subsection as follows:
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(1) Application and solicitation disclosure.—On or with a solicitation or an application for an educational ISA, an ISA provider shall disclose the following:

(A) ISA payment calculation method.—

(i) The ISA payment calculation method that applies to the educational ISA and actually offered by the ISA provider at the time of application or solicitation. If the ISA payment calculation method will depend, in part, on a later determination of the ISA recipient’s creditworthiness or other factors, a statement that the ISA payment calculation method for which the ISA recipient may qualify will depend on the ISA recipient’s creditworthiness and other factors, if applicable.

(ii) In the case of an ISA payment calculation method that is based on a schedule of percentages—

(I) an explanation of how the schedule of percentages is calculated using percentages of income based on the ISA recipient’s income; and
(II) the timing for recalculation of the ISA recipient’s payments under the schedule of percentages.

(iii) In the case of an ISA payment calculation method that is based on a schedule of fixed amounts that an ISA recipient is required to pay that is calculated based on the ISA recipient’s income for a payment period—

(I) an explanation of how the schedule of fixed amounts is calculated using fixed amounts based on the ISA recipient’s income; and

(II) the timing for recalculation of the ISA recipient’s payments under the schedule of fixed amounts.

(B) FEES AND DEFAULT OR LATE PAYMENT COSTS.—

(i) An itemization of the fees or range of fees required to obtain the educational ISA.

(ii) Any fees or other penalties based on the ISA recipient’s default or late payment.

(C) PAYMENT TERMS.—
(i) The ISA duration, or range of ISA durations, offered by the ISA provider.

(ii) A description of any payment deferral options.

(D) COST ESTIMATES.—Using the highest dollar amount or percentage applicable under the ISA payment calculation method described in subparagraph (A)(i) and using an amount financed of $10,000, or $5,000 if the ISA provider only offers income share agreements of this type for less than $5,000, the loan comparison based on these assumptions.

(E) ELIGIBILITY.—Any age or school enrollment eligibility requirements relating to the ISA recipient.

(F) ALTERNATIVE TO INCOME SHARE AGREEMENTS.—

(i) With respect to an educational ISA that might be used for postsecondary expenses at an institution of higher education that participates in a student financial assistance program under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.)—
(I) a statement the ISA recipient may qualify for Federal student financial assistance through a program under such title; and

(II) the interest rates for each program of financial assistance available under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) and information regarding whether the rates for the loans available under such title are fixed or variable.

(ii) If applicable to the student’s circumstances, a statement that the ISA recipient may obtain additional information concerning Federal student financial assistance from the institution of higher education that the student attends, or at the website of the Department of Education, including an appropriate website address for the Department.

(iii) A statement that an institution of higher education may have school-specific education loan benefits and terms not detailed on the disclosure form.
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(G) Rights of the Consumer.—A statement that if the application for the educational
ISA is approved by the ISA provider, the terms
of the educational ISA will be available and will
not change for 30 days except as a result of ad-
justments to the ISA payment calculation meth-
od, ISA duration, or ISA maximum number of
payments and other changes permitted by law.

(H) Self-Certification Information.—A statement that, before the educational
ISA may be consummated, the ISA recipient
must complete the self-certification form and
that the form may be obtained from the institu-
tion of higher education that the student at-
tends.

(I) Overall Educational Finance Obliga-
tion Notice.—The following statement:
“IMPORTANT NOTICE REQUIRED BY
LAW: Students are cautioned to consider care-
fully entering into this Income Share Agree-
ment if their total future payment commitment,
including any other forms of education finance,
may exceed 20 percent of their expected future
income. Your total future obligation may exceed
this percentage if you have received additional
education financing, including other income
share agreements, Department of Education
Direct or FFEL Loans, or private education
loans.”.

(2) DISCLOSURES UPON APPROVAL OF AN
isa.—Upon approval of an educational ISA by an
ISA provider, the ISA provider shall disclose the in-
formation required under section 302(d) and the fol-
lowing information:

(A) ISA PAYMENT CALCULATION METH-
OD.—

(i) The ISA payment calculation
method that applies to the educational
ISA.

(ii) In the case of an ISA payment
calculation method that is based on a
schedule of percentages—

(I) an explanation of how the
schedule of percentages is calculated
using percentages of income based on
the ISA recipient’s income; and

(II) the timing for recalculation
of the ISA recipient’s payments under
the schedule of percentages.
(iii) In the case of an ISA payment calculation method that is based on a schedule of fixed amounts that an ISA recipient is required to pay based on the ISA recipient’s income for a payment period—

(I) an explanation of how the schedule of fixed amounts is calculated using fixed amounts based on the ISA recipient’s income; and

(II) the timing for recalculation of the ISA recipient’s payments under the schedule of fixed amounts.

(B) FEES AND DEFAULT OR LATE PAYMENT COSTS.—

(i) An itemization of the fees or range of fees required to obtain the educational ISA.

(ii) Any fees or other penalties based on the ISA recipient’s defaults or late payments.

(C) PAYMENT TERMS.—

(i) The ISA duration, or range of ISA durations, offered by the ISA provider.

(ii) A description of any payment deferral options.
(D) Cost estimates.—The following disclosure shall be made using the ISA payment calculation method, ISA duration, and ISA maximum number of payments for which the ISA recipient has been approved:

(i) The loan comparison based on these assumptions.

(ii) A description of the payment deferral option chosen by the ISA recipient, if applicable, and any other payment deferral options that the ISA recipient may elect at a later time.

(iii) Any payments required while the ISA recipient is enrolled at a covered educational institution, based on the deferral option chosen by the ISA recipient.

(E) Alternatives to private education income share agreements, if applicable to the student.—In the case of an educational ISA that may be used for education expenses at an institution of higher education that participates in the student financial assistance programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), the following:
(i) A statement that the ISA recipient may qualify for Federal student financial assistance through a program under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(ii) The interest rates for each program of financial assistance available under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) and information regarding whether the rates for the loans available under such title are fixed or variable.

(iii) A statement that the ISA recipient may obtain additional information concerning Federal student financial assistance from the institution of higher education that the student attends, or at the website of the Department of Education, including an appropriate website address for the Department.

(F) RIGHTS OF THE ISA RECIPIENT.—

(i) A statement that the ISA recipient may accept the terms of the income share agreement until the last day of the acceptance period described in subsection (d)(1).
(ii) The specific date on which the acceptance period expires, based on the date upon which the ISA recipient receives the disclosures required under this paragraph for the income share agreement.

(iii) A specification of the method or methods by which the ISA recipient may communicate acceptance.

(iv) A statement that, except for changes to the ISA payment calculation method and other changes permitted by law, the rates and terms of the income share agreement may not be changed by the ISA provider during the period described in clause (i).

(G) OVERALL EDUCATIONAL FINANCE OBLIGATION NOTICE.—The following statement:

“IMPORTANT NOTICE REQUIRED BY LAW: Students are cautioned to consider carefully entering into this Income Share Agreement if their total future payment commitment, including any other forms of education finance, may exceed 20 percent of their expected future income. Your total future obligation may exceed this percentage if you have received additional
education financing, including other income
share agreements, Department of Education
Direct or FFEL Loans, or private education
loans.”.

(3) Final Disclosures.—After the ISA recipi-
ent has accepted the income share agreement in ac-
cordance with subsection (d)(1), the ISA provider
shall disclose to the ISA recipient the information
required by this section and the following informa-
tion:

(A) ISA Payment Calculation Method.—

(i) The ISA payment calculation
method applicable to the income share
agreement.

(ii) In the case of an ISA payment
calculation method that is based on a
schedule of percentages—

(I) an explanation of how the
schedule of percentages is calculated
using percentages of income based on
the ISA recipient’s income; and

(II) the timing for recalculation
of the ISA recipient’s payments under
the schedule of percentages.
(iii) In the case of an ISA payment calculation method that is based on a schedule of fixed amounts that an ISA recipient is required to pay based on the ISA recipient’s income for a payment period—

(I) an explanation of how the schedule of fixed amounts is calculated using fixed amounts based on the ISA recipient’s income; and

(II) the timing for recalculation of the ISA recipient’s payments under the schedule of fixed amounts.

(B) FEES AND DEFAULT OR LATE PAYMENT COSTS.—

(i) An itemization of the fees or range of fees required to obtain the educational ISA.

(ii) Any fees or other penalties based on the ISA recipient’s defaults or late payments.

(C) PAYMENT TERMS.—

(i) The ISA duration or range of ISA durations offered by the ISA provider.

(ii) A description of any payment deferral options.
(D) COST ESTIMATES.—The following disclosure shall be made using the ISA payment calculation method, ISA duration, and ISA maximum number of payments for which the ISA recipient has been approved:

(i) The loan comparison based on these assumptions.

(ii) A description of the payment deferral option chosen by the ISA recipient, if applicable, and any other payment deferral options that the ISA recipient may elect at a later time.

(iii) Any payments required while the ISA recipient is enrolled at a covered educational institution, based on the deferral option chosen by the ISA recipient.

(E) CANCELLATION RIGHTS.—

(i) A statement that—

(I) the ISA recipient has the right to cancel the income share agreement, without penalty, at any time before the cancellation period under subsection (e) expires; and
(II) the income share agreement proceeds will not be disbursed until after such cancellation period expires.

(ii) The specific date on which the cancellation period expires and a statement that the ISA recipient may cancel by that date.

(iii) A statement specifying—

(I) all methods by which the ISA recipient may cancel; and

(II) if the ISA provider permits cancellation by mail, that the ISA recipient’s mailed request will be deemed timely if placed in the mail not later than the cancellation date specified in clause (ii).

(iv) The disclosures required by this subparagraph shall be made more conspicuous than any other disclosure required under this section, except for the ISA payment calculation method, ISA duration, ISA maximum number of payments, amount financed, income threshold, and the ISA provider’s identity, which
shall be disclosed in accordance with the requirements of section 302(d).

(F) OVERALL EDUCATIONAL FINANCE OBLIGATION NOTICE.—The following statement:

“IMPORTANT NOTICE REQUIRED BY LAW: Students are cautioned to consider carefully entering into this Income Share Agreement if their total future payment commitment, including any other forms of education finance, may exceed 20 percent of their expected future income. Your total future obligation may exceed this percentage if you have received additional education financing, including other income share agreements, Department of Education Direct or FFEL Loans, or private education loans.”.

(c) LIMITATION ON EDUCATIONAL ISAS.—

(1) CO-BRANDING PROHIBITED.—

(A) IN GENERAL.—Except as provided in subparagraph (B) and paragraph (2), an ISA provider, other than the covered educational institution itself, shall not use the name, emblem, mascot, or logo of a covered educational institution, or other words, pictures, or symbols identified with a covered educational institution, in
the marketing of educational ISAs in a way
that implies that the covered education institu-
tion endorses the ISA provider’s income share
agreements.

(B) SPECIAL RULE.—An ISA provider’s
marketing of an educational ISA does not imply
that the covered education institution endorses
the ISA provider’s income share agreements if
the marketing includes a clear and conspicuous
disclosure, equally prominent and closely prox-
imate to the reference to the covered educational
institution, that the covered educational institu-
tion does not endorse the ISA provider’s income
share agreements and that the ISA provider is
not affiliated with the covered educational insti-
tution.

(2) ENDORSED ISA PROVIDER ARRANGE-
MENTS.—If an ISA provider and a covered edu-
cational institution have entered into an arrange-
ment under which the covered educational institution
agrees to endorse the ISA provider’s educational
ISAs, and such arrangement is not prohibited by
other applicable law or regulation, paragraph (1)(A)
shall not apply as long as the educational ISA mar-
keting includes a clear and conspicuous disclosure,
equally prominent and closely proximate to the reference to the covered educational institution, that the ISA provider’s income share agreements are not offered or made by the covered educational institution, but are made by the ISA provider.

(d) Educational ISA Recipient’s Right To Accept.—

(1) Acceptance Period.—The ISA recipient has the right to accept the terms of an educational ISA at any time not later than 30 calendar days following the date on which the ISA recipient receives the disclosures required under subsection (b)(2).

(2) Limitations on Changes.—Except for changes permitted under paragraph (3), the terms of the educational ISA that are required to be disclosed under paragraphs (2) and (3) of subsection (b) may not be changed by the ISA provider prior to the earlier of—

(A) the date of disbursement of the income share agreement; or

(B) the expiration of the 30-day period described in paragraph (1), if the ISA recipient has not accepted the income share agreement before within the period.
(3) EXCEPTIONS NOT REQUIRING RE-DISCLOSURE.—

(A) IN GENERAL.—Notwithstanding paragraph (2), nothing in this section shall prevent an ISA provider of an educational ISA from—

(i) withdrawing an offer before consummation of the transaction if the making of the income share agreement would be prohibited by law or if the ISA provider has reason to believe that the ISA recipient has committed fraud in connection with the income share agreement application;

(ii) changing the ISA payment calculation method and terms if the change will unequivocally benefit the ISA recipient; or

(iii) reducing the amount funded based upon a certification or other information received from the covered educational institution, or from the ISA recipient, indicating that the student’s cost of attendance has decreased or the ISA recipient’s other financial aid has increased, except that, in such case, the ISA provider
may make corresponding changes to the terms of the ISA payment calculation method, ISA duration, and other terms only to the extent that the ISA recipient would have received the terms if the ISA recipient had applied for the reduced amount financed.

(B) No New Disclosures Required.—If the ISA provider changes the ISA payment calculation method or terms of the income share agreement under this paragraph, the ISA provider shall not be required to—

(i) provide the disclosures required under subsection (b)(2) for the new income share agreement terms; or

(ii) provide an additional 30-day period to the ISA recipient to accept the new terms of the income share agreement.

(4) Exceptions Requiring Re-Disclosure.—

(A) In General.—Notwithstanding paragraphs (2) and (3), nothing in this section prevents an ISA provider, at its option, from changing the ISA payment calculation method or terms of the income share agreement to accommodate a specific request by the ISA recipi-
ent, such as a request for a different repayment option.

(B) ADDITIONAL DISCLOSURES REQUIRED.—If the ISA provider changes the rate or terms of the income share agreement under subparagraph (A), the ISA provider—

(i) shall provide the disclosures required under subsection (b)(2) and shall provide the ISA recipient the 30-day period to accept the income share agreement, as required under paragraph (1); and

(ii) shall not make further changes to the income share agreement and terms of the loan, except as specified in paragraph (3)(B).

(C) NO FURTHER WITHDRAWALS OR CHANGES.—Except as permitted under paragraph (3)(B), unless the ISA recipient accepts the income share agreement offered by the ISA provider in response to the ISA recipient’s request in accordance with subparagraph (A), the ISA provider may not withdraw or change the ISA payment calculation method or any terms of the income share agreements for which the ISA recipient was approved prior to the ISA re-
recipient’s request for a change in income share agreement terms under this paragraph.

(c) **Educational ISA Recipient’s Right To Cancel.**—The ISA recipient may cancel an educational ISA, without penalty, until midnight of the third business day following the date on which the ISA recipient receives the disclosures required by subsection (b)(3). No funds may be disbursed for an educational ISA until the 3-business-day period has expired, absent exceptional circumstances necessitating disbursement based on a request from the covered educational institution. In such a case, the covered educational institution shall promptly, upon cancellation by the student, refund the amounts to the ISA provider.

(f) **Self-Certification Form.**—For an educational ISA intended to be used for the postsecondary educational expenses of a student while the student is attending an institution of higher education, the ISA provider shall obtain, from the ISA recipient or the institution of higher education, the educational ISA certification form developed by the Secretary under section 155 of the Higher Education Act of 1965 (20 U.S.C. 1019d), signed by the ISA recipient, in written or electronic form, before consummating the educational ISA.

(g) **Provision of Information by Preferred ISA Provider.**—
(1) IN GENERAL.—An ISA provider that has a preferred ISA financing arrangement with a covered educational institution shall, each year in accordance with paragraph (2), provide to the covered educational institution the information required under subsection (b)(1) for each type of educational ISA that the ISA provider plans to offer to ISA recipients for students attending the covered educational institution, for the period beginning July 1 of the year in which the information is provided and ending June 30 of the following year.

(2) TIMING.—For each year of a preferred ISA provider financing arrangement, the ISA provider shall provide the information required under paragraph (1) by the later of—

(A) the first day of April; or

(B) the date that is 30 days after entering into, or learning the ISA provider is a party to, a preferred ISA provider arrangement.

SEC. 304. ADVERTISING OF INCOME SHARE AGREEMENTS.

(a) IN GENERAL.—The restrictions on advertising of income share agreements shall be consistent with the restrictions placed on advertisements related to extensions of consumer credit as set forth in chapter 3 of the Truth in Lending Act (15 U.S.C. 1661 et seq.).
(b) Amendments to the Truth in Lending Act.—The Truth in Lending Act (15 U.S.C. 1601 et seq.) is amended—

(1) in section 103(f) (15 U.S.C. 1602(f))—

(A) by striking “means the” and inserting “means—

“(1) the”;

(B) in paragraph (1), as so designated, by striking the period at the end and inserting “; and”;

(C) by adding at the end the following:

“(2) for purposes of chapter 3, shall include an income share agreement, as defined in section 2 of the ISA Student Protection Act of 2023.”;

(2) in section 142 (15 U.S.C. 1662)—

(A) in the matter preceding paragraph (1), by striking “state” and inserting “state—”;

(B) in paragraph (1), by striking the period at the end and inserting a semicolon;

(C) in paragraph (2), by striking the period at the end and inserting “; and”;

(D) by adding at the end the following:

“(3) with respect to an income share agreement (as defined in section 2 of the ISA Student Protection Act of 2023), that a specific ISA payment cal-
culation method, ISA duration, ISA maximum num-
ber of payments, or income threshold (as those
terms are defined in such section 2) can be arranged
unless the ISA provider (as defined in such section
2) usually and customarily arranges income share
agreements pursuant to the terms so advertised.”;
and

(3) in section 144 (15 U.S.C. 1664), by adding
at the end the following
“(f) INCOME SHARE AGREEMENTS.—

“(1) DEFINITIONS.—In this subsection, the
terms ‘income share agreement’, ‘income threshold’,
‘ISA duration’, ‘ISA maximum number of pay-
ments’, and ‘ISA payment calculation method’ have
the meanings given those terms in section 2 of the
ISA Student Protection Act of 2023.

“(2) APPLICATION.—This subsection shall
apply to any advertisement to aid, promote, or assist
directly or indirectly any income share agreement
subject to the provisions of this chapter.

“(3) DISCLOSURE OF KEY TERMS.—If any ad-
vertisement to which this section applies states the
ISA payment calculation method, ISA duration, ISA
maximum number of payments, income threshold, or
amounts of payments under an income share agreement, the advertisement shall include the following:

“(A) The ISA payment calculation method.

“(B) The ISA duration.

“(C) The ISA maximum number of payments.

“(D) The income threshold.”.

TITLE IV—OTHER CLARIFICATIONS TO SUPPORT ISA PROGRAMS

SEC. 401. TREATMENT UNDER SECURITIES LAWS.

(a) Income Share Agreements Not Treated as Securities.—

(1) In General.—An income share agreement shall not be treated as a security for purposes of the securities laws (as defined in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a))), any similar State law, or any State law that directly or indirectly prohibits, limits, or imposes conditions, based on the merits of an offering or issuer of securities, upon the offer or sale of any security.

(2) Rule of Construction.—Nothing in paragraph (1) may be construed to prevent an instrument that is collateralized by, or serviced by the cash flows of, an income share agreement from being
treated as a security for purposes of any law described in that paragraph.

(b) ISA PROVIDERS MAKING INCOME SHARE AGREEMENTS EXCLUDED FROM INVESTMENT COMPANY TREATMENT.—Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)) is amended—

(1) in paragraph (4), by inserting “income share agreements (as that term is defined in section 2 of the ISA Student Protection Act of 2023),” after “industrial banking,”; and

(2) in paragraph (5)—

(A) in subparagraph (A), by inserting “, including purchasing or otherwise acquiring income share agreements (as that term is defined in section 2 of the ISA Student Protection Act of 2023)” after “services”; and

(B) in subparagraph (B), by inserting “, including making income share agreements (as defined in subparagraph (A))” after “services”.

SEC. 402. TREATMENT UNDER BANKRUPTCY LAWS.

Section 523(a)(8) of title 11, United States Code, is amended, in the matter preceding subparagraph (A), by striking “for—” and inserting “for, other than funds provided as part of an educational ISA (as defined in section 2 of the ISA Student Protection Act of 2023)—”.
SEC. 403. CONSENT TO CONTINUING RELEASE OF TAX-
PAYER INFORMATION UNDER EDUCATIONAL
ISAS AND INCOME SHARE AGREEMENTS.

By not later than 180 days after the date of enact-
ment of this Act, the Secretary of the Treasury shall mod-
ify Treasury regulations and guidance to provide for con-
tinuing consent to disclosure of an individual’s return in-
formation to an ISA provider (or the provider’s successor
in interest) under an educational ISA or other income
share agreement, but only for periods relevant to, and only
to the extent the Secretary determines is necessary and
appropriate in carrying out the terms of, such educational
ISA or income share agreement.

SEC. 404. INTERPLAY WITH THE HIGHER EDUCATION ACT
OF 1965.

(a) Title IV Definitions.—

(1) In general.—Section 480 of the Higher
Education Act of 1965 (20 U.S.C. 1087vv), as
amended by section 702 of the FAFSA Simplifica-
tion Act (title VII of division FF of Public Law
116–260; 134 Stat. 3191), is amended—

(A) in subsection (e)—

(i) in paragraph (2), by striking
“and” after the semicolon;

(ii) in paragraph (3), by striking the
period and inserting “; and”; and
(iii) by adding at the end the following:

“(4) any amount provided to the applicant, or on whose behalf funds are disbursed, under an income share agreement, as defined in section 2 of the ISA Student Protection Act of 2023.”; and

(B) in subsection (f)(1), by inserting “amounts provided to an individual, or on whose behalf the funds are disbursed, under an income share agreement, as defined in section 2 of the ISA Student Protection Act of 2023,” after “income producing property,”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if included in section 702 of the FAFSA Simplification Act (title VII of division FF of Public Law 116–260; 134 Stat. 3191) and in accordance with section 701(b) of such Act.

(b) PROGRAM PARTICIPATION AGREEMENTS.—Section 487(d)(1)(D) of the Higher Education Act of 1965 (20 U.S.C. 1094(d)(1)(D)) is amended—

(1) in clause (ii), by striking “and” after the semicolon;

(2) in clause (iii), by inserting “and” after the semicolon; and
(3) by adding at the end the following:

“(iv) in the case of educational income share agreements (as such term is defined in section 2 of the ISA Student Protection Act of 2023) made by a proprietary institution of higher education, only the amount of ISA payments (as defined in such section) received during the applicable institutional fiscal year, to the extent the amount of such payments on the educational income share agreement does not exceed the income share amount financed under such educational income share agreement;”.

(c) PREFERRED LENDER ARRANGEMENT DEFINITIONS.—Section 151 of the Higher Education Act of 1965 (20 U.S.C. 1019) is amended—

(1) by redesignating paragraphs (3), (4), (5), and (6) through (9) as paragraphs (4), (5), (6), and (9) through (12), respectively;

(2) by inserting after paragraph (2) the following:

“(3) EDUCATIONAL ISA.—The term ‘educational ISA’ has the meaning given the term in section 2 of the ISA Student Protection Act of 2023.”;
(3) in paragraph (6), as redesignated by paragraph (1)—

(A) in subparagraph (A)(ii), by inserting “or educational ISAs” after “loans”;

(B) in subparagraph (B), by striking “and” after the semicolon;

(C) in subparagraph (C), by striking the period at the end and inserting “; and”; and

(D) by adding at the end of the following: “(D) notwithstanding subparagraphs (A) and (B), does not include any ISA provider with respect to any educational ISA secured, made, or extended by such ISA provider.”;

(4) by inserting after paragraph (6), as redesignated by subparagraph (A), the following:

“(7) ISA PROVIDER.—The term ‘ISA provider’ has the meaning given the term in section 2 of the ISA Student Protection Act of 2023.

“(8) ISA RECIPIENT.—The term ‘ISA recipient’ has the meaning given the term in section 2 of the ISA Student Protection Act of 2023.”; and

(5) in paragraph (11)(A), as redesignated by paragraph (1)—

(A) in the matter preceding clause (i), by inserting “or ISA provider” after “lender”;
(B) in clause (i), by inserting “or an ISA provider provides or otherwise issues educational ISAs” after “loans”; and

(C) in clause (ii), by inserting “or the educational ISAs of the ISA provider” after “lender”.

(d) Responsibilities of Covered Institutions and ISA Providers Regarding Preferred Lender Arrangements.—Section 152 of the Higher Education Act of 1965 (20 U.S.C. 1019a) is amended—

(1) in the section heading, by striking “AND LENDERS” and inserting “LENDERS, AND ISA PROVIDERS”;

(2) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) in clause (i)—

(aa) in the matter preceding subclause (I), by inserting “or educational ISAs” after “loans”;

(bb) in subclause (II)—

(AA) by striking “section 151(3)(A)” and inserting “section 151(4)(A)”;

and
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(BB) by striking “and”
at the end;

(cc) by redesignating sub-
clause (III) as subclause (IV);
and

(dd) by inserting after sub-
clause (II) the following:

“(III) the information required to
be disclosed pursuant to section
153(a)(2)(A)(i), for an educational
ISA that is offered pursuant to a pre-
ferred lender arrangement of the in-
stitution or organization to students
of the institution or families of such
students; and”; and

(II) in clause (ii)—

(aa) in the matter preceding
subclause (I)—

(AA) by striking “sub-
paragraph (C)” and insert-
ing “subparagraph (D)”;
and

(BB) by inserting “or
educational ISAs” after
“loans”;
(bb) in subclause (I), by striking “and” after the semicolon; and

(cc) by adding at the end the following:

“(III) in the case of a covered institution, the information described in section 153(c) for each type of educational ISA offered pursuant to a preferred lender arrangement of the institution to students of the institution or the families of such students; and

“(IV) in the case of an institution-affiliated organization of a covered institution, the information in section 303(b)(1) of the ISA Student Protection Act of 2023, for each type of educational ISA offered pursuant to a preferred lender arrangement of the organization to students of such institution or the families of such students.”;

(ii) by redesignating subparagraph (C) as subparagraph (D); and
(iii) by inserting after subparagraph
(B) the following:

“(C) EDUCATIONAL ISA DISCLOSURES.—A
covered institution, or an institution-affiliated
organization of such covered institution, that
provides information regarding an educational
ISA from an ISA provider to a prospective ISA
recipient shall—

“(i) provide the prospective ISA re-
cipient with the information described in
section 303(b)(1) of the ISA Student Pro-
tection Act of 2023 for such educational
ISA;

“(ii) inform the perspective ISA re-
cipient that—

“(I) the prospective ISA recipient
may qualify for loans or other assist-
ance under title IV; and

“(II) the terms and conditions of
the loans made, insured, or guaran-
teed under title IV may be more fa-
vorable than the provisions of edu-
cational ISAs; and

“(iii) ensure that information regard-
ing educational ISAs is presented in such
a manner as to be distinct from information regarding loans that are made, insured, or guaranteed under title IV.”;

(B) by striking paragraph (2) and inserting the following:

“(2) USE OF INSTITUTION NAME.—A covered institution, or an institution-affiliated organization of such covered institution, that enters into a preferred lender arrangement with a lender regarding private education loans or an ISA provider regarding educational ISAs shall not agree to the lender’s or ISA provider’s use of the name, emblem, mascot, or logo of such institution or organization, or other words, pictures, or symbols readily identified with such institution or organization, in the marketing of private education loans or educational ISAs to students attending such institution in any way that implies that the loan or educational ISA is offered or made by such institution or organization instead of the lender or ISA provider.”; and

(C) by adding at the end the following:

“(4) USE OF ISA PROVIDER NAME.—A covered institution, or an institution-affiliated organization of such covered institution, that enters into a preferred lender arrangement with an ISA provider re-
garding educational ISAs shall ensure that the name
of the ISA provider is displayed in all information
and documentation related to such educational
ISAs.”; and

(3) by adding at the end the following:

“(c) ISA PROVIDER RESPONSIBILITIES.—For each
of an ISA provider’s educational ISAs, the ISA provider
shall comply with the disclosure requirements of sections
302 and 303 of the ISA Student Protection Act of 2023.”.
(e) DISCLOSURES FOR ISA PROVIDERS PARTICI-
PATING IN PREFERRED LENDER ARRANGEMENTS.—Sec-
1019b) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking
“section 151(3)(A)” and inserting “section
151(4)(A)”;

(ii) by adding at the end the fol-
lowing:

“(C) ADDITIONAL INFORMATION FOR EDU-
CATIONAL ISAS.—

“(i) IN GENERAL.—By not later than
180 days after the date of enactment of
the ISA Student Protection Act of 2023,
the Secretary, in coordination with the Bureau of Consumer Financial Protection, shall determine the minimum information that ISA providers, covered institutions, and institution-affiliated organizations of such covered institutions participating in preferred lender arrangements shall make available regarding educational ISAs.

“(ii) Consultation and content of minimum disclosures.—In carrying out clause (i), the Secretary shall—

“(I) consult with students, the families of such students, representatives of covered institutions (including financial aid administrators, admission officers, and business officers), representatives of institution-affiliated organizations, secondary school guidance counselors, and ISA providers;

“(II) include, in the minimum information under clause (i) that is required to be made available, the information required to be disclosed under section 303 of the ISA Student Protection Act of 2023; and
“(III) consider the merits of requiring each covered institution, and each institution-affiliated organization of such covered institution, with a preferred lender arrangement to provide prospective ISA recipients and the families of such ISA recipients the following information for each type of educational ISA offered pursuant to such preferred lender arrangement:

“(aa)(AA) The ISA payment calculation method, the income threshold, the ISA maximum number of payments (or a range of the ISA maximum number of payments), the ISA payment window (or a range of the ISA payment windows), and the terms and conditions of the educational ISA for the next award year.

“(BB) In this subclause, the terms ‘income threshold’, ‘ISA maximum number of payments’, ‘ISA payment calculation method’, and ‘ISA payment window’
have the meanings given the
terms in section 2 of the ISA
Student Protection Act of 2023.

“(bb) An itemization of the
fees or range of fees required to
obtain the educational ISA.

“(cc) Any fees or other pen-
alties based on the ISA recipi-
ent’s defaults or late payments.

“(dd) The annual or aggre-
gate maximum financed amounts.

“(ee) The average financed
amounts provided by the ISA
provider to students who—

“(AA) graduated from
such institution in the pre-
ceding year with certificates,
undergraduate degrees,
graduate degrees, and pro-
fessional degrees, as applica-
ble; and

“(BB) obtained edu-
cational ISAs of such type
from the ISA provider for
the preceding year.
“(ff) The consequences for
the ISA recipient for defaulting
on an educational ISA.

“(gg) Contact information
for the ISA provider.

“(hh) Other information
suggested by the persons and en-
tities with whom the Secretary
has consulted under subclause
(I).”;

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i), by striking “sec-
tion 151(3)(A)” and inserting “sec-
tion 151(4)(A), or to prospective ISA
recipients and the families of such
ISA recipients regarding educational
ISAs,”; and

(II) in clause (ii), by striking
“the model disclosure form” and in-
serting “a model disclosure form”;

(ii) in subparagraph (B)—

(I) in the matter preceding clause
(i)—
(aa) by striking “a model disclosure form” and inserting “model disclosure forms”; and

(bb) by striking “and preferred lenders” and inserting “preferred lenders, and ISA providers”;

(II) in clause (i), by inserting “ISA providers,” after “servicers,”; and

(III) in clause (ii)—

(aa) by striking “format to the form” and inserting the following: “format to—

“(aa) with respect to educational loans, the form”; 

(bb) by striking “section 151(3)(A)” and inserting “section 151(4)(A)”; and

(cc) by adding at the end the following:

“(bb) with respect to educational ISAs, the form developed by the Bureau of Consumer Financial Protection under section
301(4) of the ISA Student Protection Act of 2023 in order to permit students and the families of students to easily compare educational ISAs; and’; and (iii) in subparagraph (C), by striking “such model disclosure form” and inserting “the model disclosure forms described in subparagraph (B)”;

(2) in subsection (b), by striking “section 151(3)(A)” each place the term appears and inserting “section 151(4)(A)”;

(3) by redesignating subsection (c) as subsection (d);

(4) by inserting after subsection (b) the following:

“(c) DUTIES OF ISA PROVIDERS.—Each ISA provider that has a preferred lender arrangement with respect to educational ISAs with a covered institution, or an institution-affiliated organization of such covered institution, shall annually, by a date determined by the Secretary, provide to such covered institution or such institution-affiliated organization, and to the Secretary, the information the Secretary requires pursuant to subsection (a)(2)(A)(i) for the educational ISAs that the ISA provider plans to
offer pursuant to such preferred lender arrangement to
students attending such covered institution, or to the fam-
ilies of such students, for the next award year.”; and

(5) in subsection (d), as redesignated by para-
graph (3)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) in clause (i), by striking “sec-
tion 151(3)(A)” and inserting “sec-
tion 151(4)(A) or educational ISA”;

and

(II) by adding at the end the fol-
lowing:

“(iii)(I) in the case of a covered insti-
tution, the information described in sub-
section (c), for each type of educational
ISA offered pursuant to a preferred lender
arrangement of the institution to students
of the institution or the families of such
students; and

“(II) in the case of an institution-affil-
iated organization of a covered institu-
tion, the information described in section
303(b)(1) of the ISA Student Protection
Act of 2023, for each type of educational
ISA offered pursuant to a preferred lender arrangement of the organization to students of such institution or the families of such students.”; and

(ii) in subparagraph (B)—

(I) by inserting “or ISA provider” after “lender”; and

(II) by inserting “or an educational ISA” after “loan”; and

(B) in paragraph (2)(A)—

(i) in the matter preceding clause (i), by inserting “or ISA provider” after “each lender”;

(ii) in clause (i), by striking “clauses (i) and (ii)” and inserting “clauses (i) through (iii), as applicable”; and

(iii) in clause (ii)—

(I) by inserting “or ISA provider” after “the lender”; and

(II) by inserting “or educational ISA” after “loan”.

(f) SELF-CERTIFICATION FORM FOR EDUCATIONAL ISAs.—Section 155 of the Higher Education Act of 1965 (20 U.S.C. 1019d) is amended—
(1) by striking the section heading and inserting the following: “SELF-CERTIFICATION FORMS FOR PRIVATE EDUCATION LOANS OR EDUCATIONAL ISAS.”;

(2) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking “the self-certification form” and inserting “a self-certification form”;  

(ii) by inserting “and, in consultation with the Director of the Bureau of Consumer Financial Protection, a self-certification form for educational ISAs that shall be used to satisfy the requirements of section 303(f) of the ISA Student Protection Act of 2023” after “Act”; and  

(iii) by striking “Such form” and inserting “Each form”; and

(B) in paragraph (3)—

(i) in subparagraph (A), by inserting “or educational ISA, as applicable” after “loan”; and
(ii) in subparagraph (C), by inserting
“or educational ISA, as applicable” after
“loan”; and

(3) in subsection (b), by striking “the form” and inserting “a form”.

(g) CONFORMING AMENDMENTS.—Section 154 of the Higher Education Act of 1965 (20 U.S.C. 1019c) is amended—

(1) in subsection (a)—

(A) by inserting “for education loans” after “the model disclosure form”; and

(B) by striking “section 151(3)(A)” and inserting “section 151(4)(A)”;

(2) in subsection (b)(2), by inserting “for education loans” after “model disclosure form”.

TITLE V—APPLYING EXISTING CONSUMER PROTECTIONS TO INCOME SHARE AGREEMENTS

SEC. 501. EQUAL ACCESS TO INCOME SHARE AGREEMENTS.

(a) Activities Constituting Discrimination.—It shall be unlawful for any ISA provider to discriminate against any applicant, with respect to any aspect of an income share agreement—
(1) on the basis of race, color, religion, national origin, sex or marital status, or age (provided the applicant has the capacity to contract);

(2) because all or part of the applicant’s income derives from any public assistance program (except for those excluded from the definition of income established by the income share agreement); or

(3) because the applicant has in good faith exercised any right under this Act.

(b) ACTIVITIES NOT CONSTITUTING DISCRIMINATION.—It shall not constitute discrimination for purpose of subsection (a) for an ISA provider—

(1) to make an inquiry of the applicant’s age or of whether the applicant’s income derives from any public assistance program, if such inquiry is for the purpose of determining the amount and probable continuance of income levels, credit history, or other pertinent element of creditworthiness as provided in regulations of the Bureau;

(2) to use any empirically derived credit system that considers age if that system is demonstrably and statistically sound in accordance with regulations of the Bureau, except that in the operation of such a system, the age of an elderly applicant may not be assigned a negative factor or value;
(3) to make an inquiry of, or to consider the age of, an elderly applicant when the age of that applicant is to be used by the creditor in the extension of credit in favor of the applicant; or

(4) to use any empirically derived system that considers the expected future income of an applicant to determine whether to approve an application or to establish the financial and other terms of an income share agreement, if that empirically derived system is demonstrably and statistically sound and reasonably designed such that approved applicants are all reasonably expected to pay substantially similar effective annual percentage rates as other similarly situated applicants, except that in accordance with any regulations of the Bureau in the operation of such a system to project an applicant’s expected future Income, an ISA provider—

(A) may not consider an applicant’s status as a member or potential member of any of the classes described in subsection (a);

(B) may consider an applicant’s current employment status, current debt and other financial obligations, or current and past income (as of the date of application); or
(C) in the case of educational ISAs, may consider the historical income of consumers who have made comparable progress toward the completion of the educational program in which the applicant is or is expected to be enrolled or toward a reasonably comparable educational program.

(c) ADDITIONAL ACTIVITIES NOT CONSTITUTING DISCRIMINATION.—It shall not be a violation of subsection (a) for an ISA provider to refuse to extend an income share agreement—

(1) that is offered pursuant to—

(A) any financial assistance program expressly authorized by law for an economically disadvantaged class of persons;

(B) any financial assistance program administered by a nonprofit organization for its members or an economically disadvantaged class of persons; or

(C) any special purpose financial assistance program that—

(i) is carried out by a for-profit organization to meet special social needs; and

(ii) meets standards prescribed in regulations by the Bureau; or

...
(2) if the refusal is required by, or made pursuant to, a program described in paragraph (1).

(d) Reason for Adverse Action; Procedure Applicable.—

(1) In general.—Not later than 30 days (or such longer reasonable time as specified in regulations of the Bureau for any class of income share agreement transaction) after the date on which an ISA provider receives a completed application for an income share agreement, the ISA provider shall notify the applicant of—

(A) the action taken by the ISA provider with respect to the application;

(B) in the case of an adverse action, a clear and accurate disclosure of the applicant’s right to a written statement of reasons in accordance with paragraph (2) within 60 days after receiving the notice under this paragraph; and

(C) the identity of the person or office from which the statement of reasons described in paragraph (2) may be obtained.

(2) Statement of Reasons.—

(A) In general.—Each applicant against which an adverse action is taken shall be enti-
tled to a written statement from the applicable
ISA provider regarding the specific reasons for
that adverse action, if the request is made by
the applicant not later than 60 days after re-
ceiving the notice of an adverse action under
paragraph (1).

(B) TIMING.—An ISA provider shall pro-
vide an applicant with the statement of reasons
under subparagraph (A) by the date that is not
more than 30 days after the date of the con-
sumer’s request.

(C) ORAL STATEMENT.—Notwithstanding
subparagraph (A), the statement described in
this paragraph may be provided orally if the
oral notification advises the applicable applicant
of the right of the applicant to have the state-
ment of reasons confirmed in writing, upon
written request by the applicant.

(D) THIRD-PARTY REQUEST.—If a third
party requests that an ISA provider make a
specific extension of an income share agreement
directly or indirectly to an applicant, the state-
ment under this paragraph may be made di-
rectly by the ISA provider, or indirectly through
the third party, if the identity of the ISA pro-
vider is disclosed.

(E) VERBAL STATEMENTS.—The require-
ments of this paragraph may be satisfied by a
verbal statement or notification in the case of
an ISA provider that acted on not more than
150 applications during the calendar year pre-
ceding the calendar year in which the applicable
adverse action is taken, as determined under
regulations of the Bureau.

(e) REGULATIONS.—

(1) IN GENERAL.—

(A) ISSUANCE OF REGULATIONS.—The
Bureau shall prescribe regulations to carry out
the purposes of this section.

(B) CONTENTS.—The regulations pre-
scribed under subparagraph (A) may contain
such classifications, differentiation, or other
provisions, and may provide for such adjust-
ments for any class of transactions, as in the
judgment of the Bureau are necessary or proper
to effectuate the purposes of this section, to
prevent circumvention or evasion of this section,
or to facilitate or substantiate compliance this
section.
(2) **Consistent with equal credit opportunity act.**—In prescribing regulations under paragraph (1), the Bureau shall be guided by the Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.) and part 1002 of title 12, Code of Federal Regulations, or any successor regulations.

(3) **Exempt transactions.**—

(A) **In general.**—Subject to subparagraph (B), the regulations prescribed under paragraph (1) may exempt from the provisions of this section any class of transactions that is not primarily for personal, family, or household purposes, or any business or commercial income share agreement or investment contract made available by a financial institution, except that a particular type of income share agreement within such a class may be exempted only if the Bureau makes an express finding that applying this section, or of any provision of this section, to the income share agreement would not contribute substantially to effectuating the purposes of this section.

(B) **Limitation.**—An exemption granted under subparagraph (A) shall be—

(i) for not longer than 5 years; and
(ii) extended only if the Bureau makes a subsequent determination, in the manner described by that subparagraph, that the exemption remains appropriate.

(4) MAINTENANCE OF RECORDS.—Pursuant to the regulations prescribed under paragraph (1), an entity making business or commercial income share agreements shall maintain such records or other data relating to those agreements as may be necessary to evidence compliance with this section or enforce any action pursuant to the authority of this section, except that in no event shall those records or data be maintained for a period of less than 1 year.

(5) DEFERENCE.—Notwithstanding any power granted to any Federal agency under this section, the deference that a court affords to a Federal agency with respect to a determination made by that agency relating to the meaning or interpretation of any provision of this section that is subject to the jurisdiction of the agency shall be applied as if that agency were the only agency authorized to apply, enforce, interpret, or administer the provisions of this section.
(f) **ENFORCEMENT.**—The administrative enforcement of this section shall be consistent with section 704 of the Equal Credit Opportunity Act (15 U.S.C. 1691c) and the regulations implementing such section 704.

(g) **SELF-TESTING AND SELF-CORRECTION.**—The incentives for self-testing and self-correction under section 704A of the Equal Credit Opportunity Act (15 U.S.C. 1691c–1), and the regulations implementing such section 704A, shall apply to ISA providers offering income share agreements.

(h) **APPLICABILITY OF OTHER LAWS.**—Section 705 of the Equal Credit Opportunity Act (15 U.S.C. 1691d), and the regulations implementing such section 705, shall apply to ISA providers offering income share agreements in the same manner in which those provisions apply to creditors offering loan products.

(i) **CIVIL LIABILITY.**—Section 706 of the Equal Credit Opportunity Act (15 U.S.C. 1691e), and the regulations implementing such section 706, shall apply to ISA providers offering income share agreements.

(j) **REPORTS BY BUREAU AND ATTORNEY GENERAL.**—

(1) **IN GENERAL.**—Each year, the Bureau and the Attorney General shall, respectively, submit to Congress reports concerning the administration of
the functions of the Bureau and the Attorney General, respectively, under this section, including such recommendations as the Bureau and the Attorney General, respectively determine necessary or appropriate.

(2) ADDITIONAL INFORMATION.—Each report of the Bureau submitted under paragraph (1) shall include the assessment of the Bureau of the extent to which compliance with the requirements of this title is being achieved and a summary of the enforcement actions taken by each of the agencies assigned administrative responsibilities under subsection (f).

SEC. 502. PROHIBITION ON REQUIRING PREAUTHORIZED ELECTRONIC FUND TRANSFERS UNDER THE ELECTRONIC FUND TRANSFER ACT.

Section 913(1) of the Electronic Fund Transfer Act (15 U.S.C. 1693k(1)) is amended by inserting “, or the entering into an educational ISA or an income share agreement (as those terms are defined in section 2 of the ISA Student Protection Act of 2023) with a consumer” after “a consumer”.

SEC. 503. TREATMENT UNDER THE FAIR CREDIT REPORTING ACT.

(a) IN GENERAL.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended by adding at the end the following:

“(i) INCOME SHARE AGREEMENT INFORMATION.—

With respect to an income share agreement (as that term is defined in section 2 of the ISA Student Protection Act of 2023), a consumer report made by a consumer reporting agency—

“(1) may include a description of the contract terms of the income share agreement and, subject to subsection (a), information with respect to amounts that are owed under the income share agreement; and

“(2) may not include any speculation about future amounts that may be owed under the income share agreement, including the reporting of any payment caps or early termination amounts.”.

(b) REGULATIONS.—The Bureau shall promulgate regulations with respect to the manner in which ISA providers may furnish, and consumer reporting agencies may report, information regarding income share agreements.
SEC. 504. TREATMENT UNDER THE FAIR DEBT COLLECTION PRACTICES ACT.

(a) IN GENERAL.—Section 803 of the Fair Debt Collection Practices Act (15 U.S.C. 1692a) is amended—

(1) in paragraph (5), by inserting “, including such an obligation or alleged obligation arising out of an income share agreement, as that term is defined in section 2 of the ISA Student Protection Act of 2023” before the period at the end; and

(2) in paragraph (6), in the first sentence, by inserting “, including an ISA provider (as defined in section 2 of the ISA Student Protection Act of 2023),” after “means any person”.

(b) RULES OF CONSTRUCTION.—Nothing in this section, or the amendments made by this section, may be construed for purposes of any other Federal law as considering—

(1) income share agreements as debts, once the ISA recipient owes any amounts to the ISA provider under the income share agreement; or

(2) ISA providers as lenders, once the ISA recipient owes any amounts to the ISA provider under the applicable income share agreement.
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1 SEC. 505. TREATMENT OF EDUCATIONAL INCOME SHARE
2 AGREEMENTS FOR PURPOSES OF MILITARY
3 LENDING ACT.
4 Section 987 of title 10, United States Code, is
5 amended—
6 (1) by redesignating subsection (i) as subsection
7 (j); and
8 (2) by inserting after subsection (h) the fol-
9 lowing new subsection:
10 “(i) TREATMENT OF EDUCATIONAL INCOME SHARE
11 AGREEMENTS.—The Secretary of Defense shall prescribe
12 regulations to apply this section to educational ISAs (as
13 that term is defined in section 2 of the ISA Student Pro-
14 tection Act of 2023), and an educational ISA shall be
15 deemed to meet the annual percentage rate of interest lim-
16 itation under subsection (b) of this section if the edu-
17 cational ISA, as applicable, would meet the requirements
18 of section 102(b) of such Act (related to appropriate risk
19 sharing) but with reference to the rate specified in sub-
20 section (b) of this section.”.
21 SEC. 506. TREATMENT UNDER THE SERVICEMEMBERS
22 CIVIL RELIEF ACT.
23 Section 207 of the Servicemembers Civil Relief Act
24 (50 U.S.C. 3937) is amended—
25 (1) in subsection (d)—
(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(B) by inserting before paragraph (2), as redesignated by subparagraph (A), the following new paragraph:

“(1) Educational Income Share Agreement.—The term ‘educational income share agreement’ has the meaning given the term ‘educational ISA’ in section 2 of the ISA Student Protection Act of 2023.”;

(2) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(3) by inserting before subsection (e), as redesignated by paragraph (2), the following new subsection (d):

“(d) Educational Income Share Agreements.—

“(1) In General.—An educational income share agreement shall be considered to be in compliance with the requirements of subsection (a) if such agreement is compliant with the requirements of section 102(b) of the ISA Student Protection Act of 2023.

“(2) Interest Rate.—In carrying out paragraph (1) of this subsection, the interest rate referred to section 102(b) of such Act shall be deemed
to be the rate of interest specified in subsection (a) of this section.’’.

SEC. 507. PRESERVATION OF CONSUMERS’ CLAIMS AND DEFENSES.

(a) Application of Holder in Due Course Rule to Income Share Agreements.—Beginning on January 1, 2024, for purposes of applying part 433 of title 16, Code of Federal Regulations (commonly known as the “Holder in Due Course Rule” or the “Holder Rule”), the term “consumer credit contract”, as defined in section 433.1 of such title, shall include income share agreements that—

(1) involve the advancing of funds to, or on behalf of, a consumer in return for the consumer’s agreement to an income share agreement; and

(2) are related, in whole or substantial part, to a purchase of goods or services from a seller who—

(A) refers the consumer to the provider of the income share agreement; or

(B) is affiliated with the provider of the income share agreement by common control, contract, or business arrangement.

(b) Disclosures.—In applying section 433.2 of title 16, Code of Federal Regulations, to a consumer credit
contract that is an income share agreement described in subsection (a)—

(1) in lieu of the disclosure required under section 433.2(a) of title 16, Code of Federal Regulations, the contract shall contain the following disclosure in at least 10 point, bold face type:

“NOTICE

“ANY HOLDER OF THIS INCOME SHARE AGREEMENT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE ISA RECIPIENT COULD ASSERT AGAINST THE SELLER OF THE GOODS OR SERVICES OBTAINED UNDER THE INCOME SHARE AGREEMENT OR WITH THE PROCEEDS OF THE INCOME SHARE AGREEMENT. ANY RECOVERY BY THE ISA RECIPIENT UNDER SUCH A CLAIM OR DEFENSE SHALL NOT EXCEED AMOUNTS PAID BY THE ISA RECIPIENT UNDER THE INCOME SHARE AGREEMENT.”;

and

(2) in lieu of the disclosure required under section 433.2(b) of title 16, Code of Federal Regulations, the contract shall contain the following disclosure in at least 10 point, bold face type:

“NOTICE
ANY HOLDER OF THIS INCOME SHARE AGREEMENT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE ISA RECIPIENT COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED UNDER THE INCOME SHARE AGREEMENT OR WITH THE PROCEEDS OF THE INCOME SHARE AGREEMENT. ANY RECOVERY UNDER SUCH A CLAIM OR DEFENSE BY THE ISA RECIPIENT SHALL NOT EXCEED AMOUNTS PAID BY THE ISA RECIPIENT UNDER THE INCOME SHARE AGREEMENT.”

TITLE VI—RELATION TO OTHER LAWS

SEC. 601. TREATMENT UNDER OTHER LAWS.

(a) INSURANCE AND WAGERING.—An income share agreement shall not be treated as a contract for insurance, or as a betting or wagering contract, under any Federal or State law, except in the case of a State law that expressly states the law is intended to apply to income share agreements as defined in this Act.

(b) PAYMENTS NOT CONSIDERED PREPAYMENTS.—

(1) IN GENERAL.—Any right that an ISA recipient may have to pay an amount greater than the amount financed under an income share agreement
in order to extinguish the income share agreement earlier than the ISA duration or ISA maximum number of payments shall not be subject to any Federal or State law with respect to prepayment penalties, as long as—

(A) the prepayment complies with the limitations on income share agreements required under this Act and the amendments made by this Act; and

(B) in the case of a State law, the State law does not expressly state that the law is intended to apply to income share agreements as defined in this Act.

(2) NONAPPLICABILITY.—An income share agreement under this Act is not subject to the application of section 140(e) of the Truth in Lending Act (15 U.S.C. 1650(e)), to the extent it would be applicable to an income share agreement.

(c) TREATMENT OF EDUCATIONAL ISAS.—

(1) ASSIGNMENT OF FUTURE WAGES FOR EDUCATIONAL ISAS.—An educational ISA shall be a valid, binding, and enforceable contract, notwithstanding any State law limiting or otherwise regulating assignments of future wages or other income, except in the case of a State law that expressly
states the law is intended to apply to income share agreements as defined in this Act.

(2) Preemption of state law with respect to usury and interest rates for educational ISAs.—An educational ISA shall not be subject to a State law with respect to usury, interest rates, fees, and charges for credit, loans, credit or installment sales, or a State law requiring that installment payments be substantially equal in amount, except in the case of a State law that expressly states the law is intended to apply to income share agreements as defined in this Act.

(3) Preemption of state laws with respect to ability-to-repay and licensing laws for educational ISAs.—An educational ISA shall not be subject to a State law with respect to “ability-to-repay” requirements, and neither an ISA provider issuing an educational ISA or its successor in interest, nor any entity servicing any educational ISA on behalf of an ISA provider or its successor in interest, shall be subject to any State law with respect to licensing or registration, except in the case of a State law that expressly states the law is intended to apply to income share agreements, as defined in this Act.
SEC. 602. RELATION TO STATE LAW.

(a) IN GENERAL.—

(1) RULE OF CONSTRUCTION.—This Act, other than the provisions of titles I and III and section 501, may not be construed as annulling, altering, or affecting, or exempting any person subject to the provisions of this Act from complying with the statutes, regulations, orders, or interpretations in effect in any State, except to the extent that any such provision of law is inconsistent with the provisions of this Act, and then only to the extent of the inconsistency.

(2) GREATER PROTECTION UNDER STATE LAW.—For purposes of this subsection, a statute, regulation, order, or interpretation in effect in any State is not inconsistent with the provisions of this Act if the protection that such statute, regulation, order, or interpretation affords to ISA recipients or applicants is greater than the protection provided under this Act. A determination regarding whether a statute, regulation, order, or interpretation in effect in any State is inconsistent with the provisions of this Act may be made by the Bureau on its own motion or in response to a nonfrivolous petition initiated by any interested person.
(b) Relation to Other Provisions of Enumerated Consumer Laws That Relate to State Law.—
No provision of this Act, except as provided in titles I and III and section 501, shall be construed as modifying, limiting, or superseding the operation of any provision of an enumerated consumer law that relates to the application of a law in effect in any State with respect to such enumerated consumer law.

(e) Additional Consumer Protection Regulations in Response to State Action.—

(1) Notice of Proposed Rule Required.—
The Bureau shall issue a notice of proposed rule-making whenever a majority of the States has enacted a resolution in support of the establishment or modification of a consumer protection regulation by the Bureau.

(2) Bureau Considerations Required for Issuance of Final Regulation.—Before prescribing a final regulation based upon a notice issued under paragraph (1), the Bureau shall take into account whether—

(A) the proposed regulation would afford greater protection to consumers than any existing regulation;
(B) the intended benefits of the proposed regulation for consumers would outweigh any increased costs or inconveniences for consumers, and would not discriminate unfairly against any category or class of consumers; and

(C) a Federal banking agency has advised that the proposed regulation is likely to present an unacceptable safety and soundness risk to insured depository institutions.

(3) EXPLANATION OF CONSIDERATIONS.—The Bureau—

(A) shall include a discussion of the considerations required in paragraph (2) in the Federal Register notice of a final regulation prescribed pursuant to this subsection; and

(B) whenever the Bureau determines not to prescribe a final regulation, shall publish an explanation of such determination in the Federal Register, and provide a copy of such explanation to each State that enacted a resolution in support of the proposed regulation, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives.
(4) RESERVATION OF AUTHORITY.—No provision of this subsection shall be construed as limiting or restricting the authority of the Bureau to enhance consumer protection standards established pursuant to this Act in response to a motion of the Bureau or in response to a request by any other interested person.

(5) RULE OF CONSTRUCTION.—No provision of this subsection shall be construed as exempting the Bureau from complying with subchapter II of chapter 5 of title 5, United States Code.

TITLE VII—ENFORCEMENT AND REPORTING

SEC. 701. ENFORCEMENT.

(a) ENFORCING AGENCIES.—Subject to subtitle B of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5511 et seq.), compliance with the requirements imposed under this Act shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) by the appropriate Federal banking agency, as defined in section 3(q) of that Act (12 U.S.C. 1813(q)), with respect to—

(A) national banks, Federal savings associations, and Federal branches and Federal agencies of foreign banks;
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(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act (12 U.S.C. 601 et seq.); and

(C) banks and State savings associations insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), and insured State branches of foreign banks;

(2) the Federal Credit Union Act (12 U.S.C. 1751 et seq.), by the Director of the National Credit Union Administration, with respect to any Federal credit union;

(3) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation, with respect to any air carrier or foreign air carrier subject to that part;

(4) the Packers and Stockyards Act, 1921 (7 U.S.C. 191 et seq.) (except as provided in section 406 of that Act (7 U.S.C. 226)), by the Secretary
of Agriculture, with respect to any activities subject
to that Act;

(5) the Farm Credit Act of 1971 (12 U.S.C.
2001 et seq.), by the Farm Credit Administration
with respect to any Federal land bank, Federal land
bank association, Federal intermediate credit bank,
or production credit association;

(6) subtitle E of the Consumer Financial Pro-
tection Act of 2010 (12 U.S.C. 5561 et seq.), by the
Bureau, with respect to any person subject to this
Act; and

(7) sections 21B and 21C of the Securities Ex-
the case of a broker or dealer, other than a depo-
sitory institution, by the Securities and Exchange
Commission.

(b) Violations of This Act Deemed Violations
of Pre-Existing Statutory Requirements; Addi-
tional Agency Powers.—For the purpose of the exer-
cise by any agency referred to in subsection (a) of its pow-
ers under any Act referred to in that subsection, a viola-
tion of any requirement imposed under this Act shall be
deemed to be a violation of a requirement imposed under
that Act. In addition to its powers under any provision
of law specifically referred to in subsection (a), each of
the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this Act, any other authority conferred on it by law.

(c) **Overall Enforcement Authority of the Bureau of Consumer Financial Protection.**—Except to the extent that enforcement of the requirements imposed under this Act is specifically committed to some other Government agency under any of paragraphs (1) through (5) of subsection (a), and subject to subtitle B of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5511 et seq.), the Bureau shall be authorized to enforce such requirements. All of the functions and powers of the Bureau under the Consumer Financial Protection Act of 2010 (12 U.S.C. 5301 et seq.) are available to the Bureau to enforce compliance by any person with the requirements under this Act, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests under the Consumer Financial Protection Act of 2010 (12 U.S.C. 5301 et seq.).

(d) **Rules and Regulations.**—The authority of the Bureau to issue regulations under this Act does not impair the authority of any other agency designated in this section to make rules respecting its own procedures
in enforcing compliance with requirements imposed under
this Act.

SEC. 702. REPORTING REQUIREMENT FOR THE BUREAU OF
CONSUMER FINANCIAL PROTECTION.
Not less than frequently than once every 5 years, the
Director shall submit to Congress a report that includes—
(1) information on the prevalence and utilization
of educational ISAs and income share agreements; and
(2) any other information pertaining to edu-
cational ISAs and income share agreements that the
Director determines is appropriate.