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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R.

To amend the Financial Literacy and Education Improvement Act to include secondary schools in best practices for teaching financial literacy, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. VALADAO introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Financial Literacy and Education Improvement Act to include secondary schools in best practices for teaching financial literacy, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INCLUSION OF LOCAL EDUCATIONAL AGEN-**
4 **CIES AND SCHOOLS IN BEST PRACTICES FOR**
5 **TEACHING FINANCIAL LITERACY.**

6 Section 514(a)(3) of the Financial Literacy and Edu-
7 cation Improvement Act (20 U.S.C. 9703(a)(3)) is amend-
8 ed—

1 (1) in subparagraph (A)—

2 (A) in the matter preceding clause (i)—

3 (i) by inserting “and secondary
4 schools” after “of institutions of higher
5 education”;

6 (ii) by striking “May 24, 2018” and
7 inserting “January 1, 2024”; and

8 (iii) by inserting “and secondary
9 schools” after “for institutions of higher
10 education”; and

11 (B) in clause (ii), by striking “at institu-
12 tions of higher education when” and inserting
13 “in”;

14 (2) by striking subparagraph (B) and inserting
15 the following:

16 “(B) BEST PRACTICES.—

17 “(i) The best practices described in
18 subparagraph (A), as applicable to institu-
19 tions of higher education, shall include—

20 “(I) methods to ensure that each
21 student has a clear sense of the stu-
22 dent’s total borrowing obligations, in-
23 cluding monthly payments, and repay-
24 ment options;

1 “(II) the most effective ways to
2 engage students in financial literacy
3 education, including frequency and
4 timing of communication with stu-
5 dents;

6 “(III) information on how to tar-
7 get different student populations, in-
8 cluding part-time students, first-time
9 students, and other nontraditional
10 students; and

11 “(IV) ways to clearly commu-
12 nicate the importance of graduating
13 on a student’s ability to repay student
14 loans.

15 “(ii) The best practices described in
16 subparagraph (A), as applicable to sec-
17 ondary schools, shall include—

18 “(I) methods to create a budget,
19 track expenses, and save for short-
20 term and long-term financial objec-
21 tives;

22 “(II) effective ways to save and
23 invest money, including by introducing
24 students to different financial securi-
25 ties;

1 “(III) information on the fun-
2 damentals of credit, including a de-
3 scription and effects of credit scores,
4 and the importance of responsible
5 credit card usage;

6 “(IV) critical thinking skills to
7 evaluate financial products, make in-
8 formed decisions, and avoid financial
9 seams; and

10 “(V) methods to ensure that each
11 student has a clear understanding of
12 postsecondary education financing op-
13 tions, including student loan bor-
14 rowing, in preparation for enrollment
15 at an institution of higher edu-
16 cation.”; and

17 (3) in subparagraph (D), by inserting “or a sec-
18 ondary school” after “institution of higher edu-
19 cation”.