H. R. 3887

To discharge the qualified loan amounts of each individual, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2019

Mr. CLYBURN (for himself, Ms. SCHAKOWSKY, Mr. KHANNA, and Ms. CLARKE of New York) introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committees on Ways and Means, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To discharge the qualified loan amounts of each individual, 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.

This Act may be cited as the “Student Loan Debt Relief Act of 2019”.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
TITLE I—LOAN DISCHARGE AND FORBEARANCE

Sec. 101. Loan discharge.
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Sec. 103. Staying and prohibition on commencement of actions for collection.
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TITLE II—REFINANCING PROGRAMS

Sec. 201. Refinancing programs.

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Sec. 404. Definitions.

1 TITLE I—LOAN DISCHARGE AND FORBEARANCE

2 SEC. 101. LOAN DISCHARGE.

(a) IN GENERAL.—Subject to subsection (f), not later than the date that is 12 months after the date of enactment of this Act, the Secretary of Education shall discharge the qualified loan amount of each individual, without regard to the repayment status of the loan or whether the loan is in default.

(b) QUALIFIED LOAN AMOUNT.—

(1) IN GENERAL.—The qualified loan amount of an individual is an amount equal to the lesser of—

(A) $50,000; and
(B) the aggregate loan obligation on the el-
igible Federal loans of the taxpayer that is out-
standing on the date of enactment of this Act
or, in the case of such loans issued under sec-
tion 460B of the Higher Education Act of
1965, as added by title II of this Act, on the
date on which such loans are issued under such
section 460B.

(2) LIMITATION BASED ON ADJUSTED GROSS
INCOME.—The amount discharged under subsection
(a) with respect to an individual shall be reduced
(but not below zero) by $1 for each $3 (or fraction
thereof) by which the taxpayer’s adjusted gross in-
come exceeds $100,000 (twice such amount in the
case of a joint return) for the most recent taxable
year ending before the date of the enactment of this
Act.

(c) METHOD OF LOAN DISCHARGE.—

(1) IN GENERAL.—To provide the loan dis-
charge required under subsection (a), the Secretary
is authorized to carry out a program—

(A) through the holder of the loan, to as-
sume the obligation to repay the qualified loan
amount for a loan made, insured, or guaranteed
under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.);

(B) to cancel the qualified loan amount for a loan made under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.), or assigned, referred, or transferred to, or purchased by, the Secretary under such title IV (20 U.S.C. 1070 et seq.), including a Federal Direct Stafford Loan issued under section 460B of the Higher Education Act of 1965, as added by title II of this Act; and

(C) through the institution of higher education that made the loan from its student loan fund established under part E of such title (20 U.S.C. 1087aa et seq.), to assume the obligation to repay the qualified loan amount for such loan.

(2) ORDER OF LOAN DISCHARGE.—With respect to an individual with at least 2 eligible Federal loans, the Secretary shall discharge the loans of the individual as follows (except as otherwise indicated by the individual):

(A) In the case in which the individual has loans with different rates of interest, the loans
should be discharged in descending order by rate of interest.

(B) In the case in which the individual has loans with the same rates of interest, the loans should be discharged in descending order by amount of outstanding principal.

(d) Exclusion from Taxable Income.—For purposes of the Internal Revenue Code of 1986, in the case of an individual, gross income does not include any amount which (but for this subsection) would be includible in gross income by reason of the discharge (in whole or in part) of any loan if such discharge was pursuant to this title.

(e) Taxpayer Information.—

(1) In general.—The Secretary of the Treasury may, upon written request from the Secretary of Education, disclose to officers and employees of the Department of Education return information with respect to a taxpayer who has received eligible Federal loans that are outstanding on the date described in subsection (b)(1)(B). Such return information shall be limited to—

(A) taxpayer identity information with respect to such taxpayer;

(B) the filing status of such taxpayer; and
(C) the adjusted gross income of such taxpayer.

(2) Restriction on use of disclosed information.—Return information disclosed under paragraph (1) may be used by officers and employees of the Department of Education only for the purposes of, and to the extent necessary in, establishing the appropriate qualified loan amount of a taxpayer.

(f) Long-Term Settle and Compromise Discharge Authority.—Not later than the date that is 24 months after the date of enactment of this Act, the Secretary of Education may use the authority under sections 432(a)(6) and 468(2) of the Higher Education Act of 1965 (20 U.S.C. 1082(a)(6); 1087hh(2)) to discharge loans under this section beyond the period described in subsection (a) for—

(1) an individual who, through an appeals process established by the Secretary, successfully appeals a loan discharge determination by the Secretary under this section;

(2) an individual who, due to special circumstances, misses a deadline established by the Secretary in the administration of loan discharges under this section; or
(3) an individual (or a group of individuals) who the Secretary determines should have received a loan discharge or a discharge amount that is different from the amount of loan discharge received under this section, except that a loan discharge amount received under this subsection may not exceed the qualified loan amount determined for the individual (or the group of individuals) under subsection (b).

(g) Private Student Loan Discharge.—Not later than the date that is 3 months after the date of enactment of this Act, the Secretary of Education, in coordination with the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, shall undertake a campaign to alert borrowers of private education loans—

(1) that such borrowers may be eligible to refinance such private loans as Federal Direct Stafford Loans under section 460B of the Higher Education Act of 1965, as added by title II of this Act; and

(2) such Federal Direct Stafford Loans may be eligible for loan discharge under this section.

(h) Credit Reporting.—In the case of a borrower of an eligible Federal loan that was in default prior to being discharged under this section and on which, as a
result of such loan discharge, there is no outstanding bal-
ance of principal or interest, the Secretary, guaranty agen-
cy or other holder of the loan shall request any consumer
reporting agency to which the Secretary, guaranty agency
or holder, as applicable, reported the default of the loan,
to remove the record of the default from the borrower’s
credit history.

(i) Members of Congress.—In this section, the
terms “individual” and “taxpayer” do not include a Mem-
er of Congress.

SEC. 102. AUTOMATIC ADMINISTRATIVE FORBEARANCE;
HALTING OF WAGE GARNISHMENT.

During the period beginning on the date of enactment
of this Act and ending on the date that is 12 months after
such date of enactment, the Secretary of Education—

(1) shall place each borrower of an eligible Fed-
eral loan with an outstanding balance, without any
further action required by the borrower (except that
the borrower may opt-out of this section), on an ad-
ministrative forbearance during which periodic in-
stallments of principal need not be paid, and interest
shall not accrue, on such loan; and

(2) may not issue an order for wage garnish-
ment or withholding under section 488A of the
Higher Education Act of 1965 (20 U.S.C. 1095a) or
section 3720D of title 31, United States Code, initiate proceedings to collect debt through deductions from pay under such section 488A or 3720D, or enforce or otherwise require compliance with a wage garnishment or withholding order issued under such section 488A or 3720D before the date of enactment of this Act (which shall include staying any related proceedings).

SEC. 103. STAYING AND PROHIBITION ON COMMENCEMENT OF ACTIONS FOR COLLECTION.

Until 12 months after the date of enactment of this Act, no eligible Federal loan may be referred to the Attorney General for any action seeking collection of any amount owed on that loan and any action pending as of the date of enactment of this Act shall be stayed.

SEC. 104. INELIGIBILITY FOR TREASURY OFFSET.

Until 12 months after the date of enactment of this Act, no claim pertaining to an eligible Federal loan may be certified under section 3716(c)(1) of title 31, United States Code.
TITLE II—REFINANCING PROGRAMS

SEC. 201. REFINANCING PROGRAMS.

(a) PROGRAM AUTHORITY.—Section 451(a) of the Higher Education Act of 1965 (20 U.S.C. 1087a(a)) is amended—

(1) by striking “and (2)” and inserting “(2)”;

and

(2) by inserting “; and (3) to make loans under section 460A and section 460B” after “section 459A”.

(b) REFINANCING PROGRAM.—Part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) is amended by adding at the end the following:

“SEC. 460A. REFINANCING FFEL AND FEDERAL DIRECT LOANS.

“(a) IN GENERAL.—Beginning not later than 12 months after the date of enactment of the Student Loan Debt Relief Act of 2019, the Secretary shall establish a program under which the Secretary automatically refinances loans made under this part in accordance with the provisions of this section, in order to lower the rate of interest on such loans.

“(b) REFINANCING DIRECT LOANS.—
“(1) FEDERAL DIRECT LOANS.—With respect to each Federal Direct Stafford Loan, Federal Direct Unsubsidized Stafford Loan, Federal Direct PLUS Loan, and Federal Direct Consolidation Loan, for which the first disbursement was made to a borrower, or the application for the consolidation loan was received from a borrower, on or before the date of enactment of the Student Loan Debt Relief Act of 2019, the Secretary shall, without any further action by the borrower (other than under subparagraph (C))—

“(A) discharge the liability on such Federal Direct Stafford Loan, Federal Direct Unsubsidized Stafford Loan, Federal Direct PLUS Loan, or Federal Direct Consolidation Loan;

“(B) issue to the borrower a new Federal Direct Stafford Loan, Federal Direct Unsubsidized Stafford Loan, Federal Direct PLUS Loan, or Federal Direct Consolidation Loan, respectively—

“(i) in an amount equal to the sum of the unpaid principal, accrued unpaid interest, and late charges of the loan for which the liability is being discharged under subparagraph (A); and
“(ii) which has the same terms and conditions as the original loan, except that the rate of interest shall be determined under subsection (c); and

“(C) provide the borrower an opportunity to opt-out of the refinancing under this paragraph.

“(2) REFINANCING FFEL PROGRAM LOANS AS REFINANCED FEDERAL DIRECT LOANS.—

“(A) IN GENERAL.—With respect to each loan that was made, insured, or guaranteed under part B and for which the first disbursement was made to a borrower, or the application for the consolidation loan was received from a borrower, before July 1, 2010, the Secretary shall, without any further action by the borrower (other than to provide the borrower an opportunity to opt-out of the refinancing under this paragraph), issue to the borrower a loan made under this part—

“(i) in an amount equal to the sum of the unpaid principal, accrued unpaid interest, and late charges of the loan selected to be so refinanced;
“(ii) the proceeds of which shall be paid to the holder of the loan selected to be so refinanced to discharge the liability on such loan; and

“(iii) which has a rate of interest determined under subsection (c).

“(B) DESIGNATION OF LOANS.—A loan issued under this section the proceeds of which is discharging the liability on a loan made, insured, or guaranteed—

“(i) under section 428 shall be a Federal Direct Stafford Loan;

“(ii) under section 428B shall be a Federal Direct PLUS Loan;

“(iii) under section 428H shall be a Federal Direct Unsubsidized Stafford Loan; and

“(iv) under section 428C shall be a Federal Direct Consolidation Loan.

“(c) INTEREST RATES.—

“(1) IN GENERAL.—The interest rate for Federal Direct Stafford Loans, Federal Direct Unsubsidized Stafford Loans, Federal Direct PLUS Loans, and Federal Direct Consolidation Loans issued under this section, shall be a rate equal to—
“(A) in a case in which the original loan is a loan under section 428 or 428H, a Federal Direct Stafford loan, or a Federal Direct Unsubsidized Stafford Loan, that was issued to an undergraduate student, the rate for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans issued to undergraduate students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017;

“(B) in a case in which the original loan is a loan under section 428 or 428H, a Federal Direct Stafford Loan, or a Federal Direct Unsubsidized Stafford Loan, that was issued to a graduate or professional student, the rate for Federal Direct Unsubsidized Stafford Loans issued to graduate or professional students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017;

“(C) in a case in which the original loan is a loan under section 428B or a Federal Direct PLUS Loan, the rate for Federal Direct PLUS Loans for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017; and
“(D) in a case in which the original loan is a loan under section 428C or a Federal Direct Consolidation Loan, a rate calculated in accordance with paragraph (2).

“(2) INTEREST RATES FOR CONSOLIDATION LOANS.—

“(A) METHOD OF CALCULATION.—To determine the interest rate for a Federal Direct Federal Consolidation Loan issued under this section, the Secretary shall—

“(i) determine each original loan for which the liability was discharged by the proceeds of a loan under section 428C or a Federal Direct Consolidation Loan, and calculate the proportion of the unpaid principal balance of the loan under section 428C or the Federal Direct Consolidation Loan that is applicable to each such original loan;

“(ii) use the proportions determined in accordance with clause (i) and the interest rate applicable for each original loan, as determined under subparagraph (B), to calculate the weighted average of the interest rates on the loans consolidated into the
loan under section 428C or the Federal Direct Consolidation Loan; and

“(iii) apply the weighted average calculated under clause (ii) as the interest rate for the Federal Direct Consolidation Loan made under this section and for which the interest rate is being determined under this paragraph.

“(B) INTEREST RATES FOR COMPONENT LOANS.—The interest rate for each original loan for which the liability is discharged by the proceeds of loan made under section 428C or a Federal Direct Consolidation Loan shall be the following:

“(i) The interest rate for any such original loan made, insured or guaranteed under section 428 or 428H, or that is a Federal Direct Stafford Loan or Federal Direct Unsubsidized Stafford Loan, issued to an undergraduate student shall be a rate equal to the lesser of—

“(I) the rate for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans issued to undergraduate students for the 12-
month period beginning on July 1, 2016, and ending on June 30, 2017; or

“(II) the interest rate on such original loan.

“(ii) The interest rate for any such original loan made, insured or guaranteed under section 428 or 428H, or that is a Federal Direct Stafford Loan, or Federal Direct Unsubsidized Stafford Loan, issued to a graduate or professional student shall be a rate equal to the lesser of—

“(I) the rate for Federal Direct Unsubsidized Stafford Loans issued to graduate or professional students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017; or

“(II) the interest rate on the original loan.

“(iii) The interest rate for any such original loan made, insured or guaranteed under section 428B or that is a Federal Direct PLUS Loan shall be a rate equal to the lesser of—
“(I) the rate for Federal Direct
PLUS Loans for the 12-month period
beginning on July 1, 2016, and ending on June 30, 2017; or
“(II) the interest rate on the
original loan.
“(iv) The interest rate for any such
original loan that is a loan under section
428C or a Federal Direct Consolidation
Loan shall be the weighted average of the
interest rates determined under this sub-
paragraph for each loan for which the li-
ability is discharged by the proceeds of
such consolidation loan.
“(v) The interest rate for any original
loan for which the liability was discharged
with the proceeds of a loan made under
section 428C or a Federal Direct Consoli-
dation Loan and is not described in clauses
(i) through (iv) shall be the interest rate
on such original loan.
“(3) FIXED RATE.—The applicable rate of in-
terest determined under paragraph (1) for a loan
issued under this section shall be fixed for the period
of the loan.
“(d) Repayment Periods.—A loan issued under this section shall not result in the extension of the duration of the repayment period of the original loan, and the borrower shall retain the same repayment term that was in effect on the original loan. Nothing in this paragraph shall be construed to prevent a borrower from electing a different repayment plan at any time in accordance with section 455(d)(3).

“(e) Original Loan Defined.—In this section, the term ‘original loan’ means a loan for which the liability is discharged with the proceeds of a loan issued under this section.

“SEC. 460B. Refinancing of Private Education Loans.

“(a) Program Authorized.—

“(1) In general.—During the period beginning on the date that is 6 months after the date of enactment of the Student Loan Debt Relief Act of 2019, and ending on the date that is 9 months after such date of enactment, the Secretary, in consultation with the Secretary of the Treasury, shall carry out a program under which the Secretary, upon receiving an application from a borrower who has a loan obligation on an eligible private education loan, shall issue such borrower a loan under this section in accordance with the following:
“(A) The loan issued under this section shall be in an amount equal to the sum of the unpaid principal, accrued unpaid interest, and late charges of the private education loan.

“(B) The Secretary shall pay the proceeds of the loan issued under this section to the private educational lender (or subsequent holder) of the private education loan, in order to discharge the borrower and any cosigners from any remaining obligation to the lender with respect to the private education loan.

“(C) The Secretary shall require that the borrower undergo loan counseling that provides all of the information and counseling required under clauses (i) through (viii) of section 485(b)(1)(A) before the carrying out subparagraphs (A) and (B) with respect to such borrower.

“(D) The Secretary shall issue the loan as a Federal Direct Stafford Loan with a rate of interest determined under subsection (b).

“(b) INTEREST RATE.—

“(1) IN GENERAL.—The interest rate for a Federal Direct Stafford Loan issued under this section shall be—
“(A) in the case of a Federal Direct Stafford Loan discharging the liability on a private education loan issued for undergraduate post-secondary educational expenses, a rate equal to the rate for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans issued to undergraduate students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017; and

“(B) in the case of a Federal Direct Stafford Loan discharging the liability on a private education loan issued for graduate or professional degree postsecondary educational expenses, a rate equal to the rate for Federal Direct Unsubsidized Stafford Loans issued to graduate or professional students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017.

“(2) Combined undergraduate and graduate study loans.—In the case of a Federal Direct Stafford Loan discharging the liability on a private education loan issued for both undergraduate and graduate or professional postsecondary educational expenses, the interest rate shall be a rate equal to the rate for Federal Direct PLUS Loans
for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017.

“(3) FIXED RATE.—The applicable rate of interest determined under this subsection for a Federal Direct Stafford Loan issued under this section shall be fixed for the period of the loan.

“(c) NO INCLUSION IN AGGREGATE LIMITS.—The amount of a Federal Direct Stafford Loan issued under this section, or a Federal Direct Consolidated Loan to the extent such loan is used to repay such a Federal Direct Stafford Loan, shall not be included in calculating a borrower’s annual or aggregate loan limits under section 428 or 428H.

“(d) PRIVATE EDUCATIONAL LENDER REPORTING REQUIREMENT.—

“(1) REPORTING REQUIRED.—Not later than 6 months after the date of enactment of the Student Loan Debt Relief Act of 2019, the Secretary, in consultation with the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, shall establish a requirement that private educational lenders report the data described in paragraph (2) to the Secretary, to Congress, to the Secretary of the Treasury, and to the Director of the Bureau of Consumer Financial Protection, in order
to allow for an assessment of the private education loan market.

“(2) CONTENTS OF REPORTING.—The data that private educational lenders shall report in accordance with paragraph (1) shall include each of the following about private education loans (as defined in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a))):

“(A) The total amount of private education loan debt the lender holds.

“(B) The total number of private education loan borrowers the lender serves.

“(C) The average interest rate on the outstanding private education loan debt held by the lender.

“(D) The proportion of private education loan borrowers who are in default on a loan held by the lender.

“(E) The proportion of the outstanding private education loan volume held by the lender that is in default.

“(F) The proportions of outstanding private education loan borrowers who are 30, 60, and 90 days delinquent.
“(G) The proportions of outstanding private education loan volume that is 30, 60, and 90 days delinquent.

“(e) SUNSET.—The authority to issue loans under this section shall expire on the date that is 8 months after the date of enactment of the Student Loan Debt Relief Act of 2019.

“(f) DEFINITIONS.—In this section:

“(1) PRIVATE EDUCATIONAL LENDER.—The term ‘private educational lender’ has the meaning given the term in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)).

“(2) ELIGIBLE PRIVATE EDUCATION LOAN.—The term ‘eligible private education loan’ means a private education loan, as defined in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)), that—

“(A) was disbursed to the borrower on or before the date of enactment of the Student Loan Debt Relief Act of 2019; and

“(B) was for the borrower’s own postsecondary educational expenses for an eligible program at an institution of higher education participating in the loan program under this part, as of the date that the loan was disbursed.”
(c) **Income-Contingent Repayment.**—Section 455(d)(1)(D) of the Higher Education Act of 1965 (20 U.S.C. 1087e(d)(1)(D)) is amended by inserting before the semicolon at the end the following: ‘‘, and in calculating the period of time during which a borrower of a loan issued under section 460A has made monthly payments on such loan for purposes of the plan described in this subparagraph, the Secretary shall treat each monthly payment that otherwise meets the requirements of such plan and that was made on a loan for which the liability is discharged by the proceeds of such loan issued under section 460A, as a monthly payment made on such loan issued under section 460A’’.

(d) **Public Service Loan Forgiveness.**—Section 455(m) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

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

‘‘(3) **Treatment of Loans Issued Under Section 460A.**—Notwithstanding paragraph (1), in determining the number of monthly payments made under paragraph (1) on an eligible Federal Direct Loan issued under section 460A the proceeds of
which discharges the liability on a loan made under this part, the Secretary shall treat each monthly payment made under paragraph (1) on the loan before the liability on such loan was so discharged as a monthly payment made on such eligible Federal Direct Loan.”;

(e) INCOME-BASED REPAYMENT.—Section 493C of the Higher Education Act of 1965 (20 U.S.C. 1098e) is amended by adding at the end the following:

“(f) TREATMENT OF REFINANCED LOANS.—In calculating the period of time during which a borrower of a loan issued under section 460A has made monthly payments on such loan for purposes of subsection (b)(7), the Secretary shall treat each monthly payment that otherwise meets the requirements of this section and that was made on a loan for which the liability is discharged by the proceeds of such loan issued under section 460A, as a monthly payment made on such loan issued under section 460A.”.
TITLE III—DISCHARGEABILITY OF STUDENT LOANS IN BANKRUPTCY

SEC. 301. DISCHARGEABILITY OF STUDENT LOANS IN BANKRUPTCY.

(1) EXCEPTION TO DISCHARGE.—Section 523(a) of title 11 of the United States Code is amended by striking paragraph (8).

(2) CONFORMING AMENDMENT.—Section 1328(a)(2) of title 11 of the United States Code is amended by striking “(8),”.

TITLE IV—GENERAL PROVISIONS

SEC. 401. REPORT ON PROGRESS OF IMPLEMENTATION.

Not later than the date that is 6 months after the date of enactment of this Act, the Secretary of Education and the Secretary of the Treasury shall, jointly, submit to Congress a report on the progress of the implementation of the provisions of titles I and II.

SEC. 402. NOTIFICATION TO BORROWERS.

(a) IN GENERAL.—Not later than the date that is 3 months after the date of enactment of this Act—

(1) the Secretary of Education—

(A) shall take such steps as may be necessary to notify borrowers of an eligible Federal
loan of the loan discharge available under title I, including the applicable deadlines;

(B) in coordination with the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, shall undertake a campaign to notify borrowers of loans made, insured, or guaranteed under part B or D of title IV of the Higher Education Act of 1965 that such borrowers may be eligible to refinance such loans at a lower rate of interest under section 460A of the Higher Education Act of 1965, as added by title II of this Act, which campaign shall include—

(i) developing consumer information materials about the availability of such refinancing; and

(ii) requiring servicers of such loans to provide such consumer information to borrowers in a manner determined appropriate by the Secretary, in consultation with the Director of the Bureau of Consumer Financial Protection; and

(C) in coordination with the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, shall undertake
a campaign to alert borrowers of private edu-
cation loans—

(i) that such borrowers may be eligible
to refinance such private loans as Federal
Direct Stafford Loans under section 460B
of the Higher Education Act of 1965, as
added by title II of this Act; and

(ii) such Federal Direct Stafford
Loans may be eligible for loan discharge
under title I of this Act; and

(2) the Secretary of Health and Human Serv-
ices, in consultation with the Secretary of Edu-
cation, shall take such steps as may be necessary to
inform borrowers of a loan made, insured, or guar-
anteed by the Department of Health and Human
Services that is eligible for consolidation under sec-
tion 455(g) of the Higher Education Act of 1965
(20 U.S.C. 1087e(g)), that the—

(A) borrower may be eligible for a Federal
Direct Consolidation Loan under such section
455(g); and

(B) such Federal Direct Consolidation
Loan may be eligible for loan discharge under
title I of this Act.
(b) Notification by Private Education Loan Holders.—Each holder of a private education loan shall, not later than the date that is 3 months after the date of enactment of this Act, notify the borrower of such private education loan that the borrower may be eligible to refinance the private education loan as a Federal Direct Stafford Loan under section 460B of the Higher Education Act of 1965, and such Federal Direct Stafford Loan may be eligible for loan discharge under title I of this Act.

SEC. 403. INAPPLICABILITY OF TITLE IV NEGOTIATED RULEMAKING AND MASTER CALENDAR EXCEPTION.

Sections 482(c) and 492 of the Higher Education Act of 1965 (20 U.S.C. 1089(c), 1098a) shall not apply to this Act or any amendments made by this Act, or to any regulations promulgated under this Act or under such amendments.

SEC. 404. DEFINITIONS.

In this Act:

(1) Eligible Federal Loan.—The term “eligible Federal loan” means—

(A) a loan made, insured, or guaranteed under title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) (other than a
loan described in subparagraph (B)) on or before the date of enactment of this Act; or

(B) a Federal Direct Stafford Loan issued under section 460B of the Higher Education Act of 1965, as added by title II of this Act, on a date that is not later than 9 months after the date of enactment of this Act.

(2) PRIVATE EDUCATION LOAN.—The term “private education loan” has the meaning given such term in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)).

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

(4) TAXPAYER.—The term “taxpayer” has the meaning given such term in section 7701 of the Internal Revenue Code of 1986.