

116TH CONGRESS  
1ST SESSION

# H. R. 3102

To amend the Higher Education Act of 1965 to improve loans, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 2019

Mr. DEFAZIO introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committees on the Judiciary, and Ways and Means, 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

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## A BILL

To amend the Higher Education Act of 1965 to improve loans, and for other purposes.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Helping Individuals Get a Higher Education while Re-  
6 ducing Education Debt Act” or the “HIGHER ED Act”.

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

Sec. 1. Short title; table of contents.

TITLE I—REINSTATEMENT OF AUTHORITY TO MAKE FEDERAL  
DIRECT STAFFORD LOANS TO GRADUATE AND PROFESSIONAL  
STUDENTS; DISCHARGING STUDENT LOANS IN BANKRUPTCY

Sec. 101. Reinstatement of authority to make Federal Direct Stafford Loans  
to graduate and professional students.

Sec. 102. Discharge student loans in bankruptcy.

TITLE II—REFINANCING PROGRAMS

Sec. 201. Program authority.

Sec. 202. Refinancing program.

Sec. 203. Income-based repayment.

TITLE III—LOAN FORGIVENESS

Sec. 301. Loan forgiveness for adjunct faculty.

Sec. 302. Amendments to the public service loan forgiveness program.

Sec. 303. Transition to improved public service loan forgiveness program.

TITLE IV—INCOME-DRIVEN REPAYMENT PLANS

Sec. 401. Income-based repayment plan.

Sec. 402. Termination of certain repayment plan options.

Sec. 403. Notification and automatic enrollment procedures.

Sec. 404. Automatic recertification of income.

Sec. 405. Study and procedures on determining family size.

Sec. 406. Disclosure of tax return information to carry out certain higher edu-  
cation loan programs.

1 **TITLE I—REINSTATEMENT OF**  
 2 **AUTHORITY TO MAKE FED-**  
 3 **ERAL DIRECT STAFFORD**  
 4 **LOANS TO GRADUATE AND**  
 5 **PROFESSIONAL STUDENTS;**  
 6 **DISCHARGING STUDENT**  
 7 **LOANS IN BANKRUPTCY**

8 **SEC. 101. REINSTATEMENT OF AUTHORITY TO MAKE FED-**  
 9 **ERAL DIRECT STAFFORD LOANS TO GRAD-**  
 10 **UATE AND PROFESSIONAL STUDENTS.**

11 (a) AMENDMENTS.—Section 455(a)(3) of the Higher  
 12 Education Act of 1965 (20 U.S.C. 1087e(a)(3)) is amend-  
 13 ed—

14 (1) in the paragraph heading, by inserting  
 15 “TEMPORARY” before “TERMINATION”; and

16 (2) in subparagraph (A), in the matter pre-  
 17 ceding clause (i), by inserting “, and ending on or  
 18 before June 30, 2019” after “2012”.

19 (b) INAPPLICABILITY OF RULEMAKING REQUIRE-  
 20 MENTS.—Sections 482(c) and 492 of the Higher Edu-  
 21 cation Act of 1965 (20 U.S.C. 1089(c); 1098a) shall not  
 22 apply to the regulations under this section.

23 **SEC. 102. DISCHARGE STUDENT LOANS IN BANKRUPTCY.**

24 (a) EXCEPTION TO DISCHARGE.—Section 523(a) of  
 25 title 11, United States Code, is amended—

1 (1) by striking paragraph (8); and

2 (2) by redesignating paragraphs (9) through  
3 (14B) as paragraphs (8) through (14A), respec-  
4 tively.

5 (b) CONFORMING AMENDMENTS.—Title 11, United  
6 States Code, is amended—

7 (1) in section 704(c)(1)(C)(iv)(I) by striking  
8 “(14A)” and inserting “(14)”;

9 (2) in section 1106(c)(1)(C)(iv)(I) by striking  
10 “(14A)” and inserting “(14)”;

11 (3) in section 1202(c)(1)(C)(iv)(I) by striking  
12 “(14A)” and inserting “(14)”;

13 (4) in section 1328(a)(2) by striking “(8), or  
14 (9)” and inserting “or (8)”.

15 (c) EFFECTIVE DATE; APPLICATION OF AMEND-  
16 MENTS.—

17 (1) EFFECTIVE DATE.—Except as provided in  
18 subsection (b), this section and the amendments  
19 made by this section shall take effect on the date of  
20 the enactment of this Act.

21 (2) APPLICATION OF AMENDMENTS.—The  
22 amendments made by this section shall apply only  
23 with respect to cases commenced under title 11 of  
24 the United States Code on or after the date of the  
25 enactment of this Act.

1                   **TITLE II—REFINANCING**  
2                   **PROGRAMS**

3 **SEC. 201. PROGRAM AUTHORITY.**

4           Section 451(a) of the Higher Education Act of 1965  
5 (20 U.S.C. 1087a(a)) is amended—

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

7           and

8                   (2) by inserting “; and (3) to make loans under  
9           section 460A and section 460B” after “section  
10           459A”.

11 **SEC. 202. REFINANCING PROGRAM.**

12           Part D of title IV of the Higher Education Act of  
13 1965 (20 U.S.C. 1087a et seq.) is amended by adding at  
14 the end the following:

15 **“SEC. 460A. REFINANCING FFEL AND FEDERAL DIRECT**  
16                   **LOANS.**

17           “(a) IN GENERAL.—Beginning not later than 180  
18 days after the date of enactment of the Helping Individ-  
19 uals Get a Higher Education while Reducing Education  
20 Debt Act, the Secretary shall establish a program under  
21 which the Secretary, upon the receipt of an application  
22 from a qualified borrower, makes a loan under this part,  
23 in accordance with the provisions of this section, in order  
24 to permit the borrower to obtain the interest rate provided  
25 under subsection (c).

1 “(b) REFINANCING DIRECT LOANS.—

2 “(1) FEDERAL DIRECT LOANS.—Upon applica-  
3 tion of a qualified borrower, the Secretary shall  
4 repay a Federal Direct Stafford Loan, a Federal Di-  
5 rect Unsubsidized Stafford Loan, a Federal Direct  
6 PLUS Loan, or a Federal Direct Consolidation  
7 Loan of the qualified borrower, for which the first  
8 disbursement was made, or the application for the  
9 consolidation loan was received, before July 1, 2019,  
10 with the proceeds of a refinanced Federal Direct  
11 Stafford Loan, a Federal Direct Unsubsidized Staf-  
12 ford Loan, a Federal Direct PLUS Loan, or a Fed-  
13 eral Direct Consolidation Loan, respectively, issued  
14 to the borrower in an amount equal to the sum of  
15 the unpaid principal, accrued unpaid interest, and  
16 late charges of the original loan.

17 “(2) REFINANCING FFEL PROGRAM LOANS AS  
18 REFINANCED FEDERAL DIRECT LOANS.—Upon ap-  
19 plication of a qualified borrower for any loan that  
20 was made, insured, or guaranteed under part B and  
21 for which the first disbursement was made, or the  
22 application for the consolidation loan was received,  
23 before July 1, 2010, the Secretary shall make a loan  
24 under this part, in an amount equal to the sum of  
25 the unpaid principal, accrued unpaid interest, and

1 late charges of the original loan to the borrower in  
2 accordance with the following:

3 “(A) The Secretary shall pay the proceeds  
4 of such loan to the eligible lender of the loan  
5 made, insured, or guaranteed under part B, in  
6 order to discharge the borrower from any re-  
7 maining obligation to the lender with respect to  
8 the original loan.

9 “(B) A loan made under this section that  
10 was originally—

11 “(i) a loan originally made, insured,  
12 or guaranteed under section 428 shall be a  
13 Federal Direct Stafford Loan;

14 “(ii) a loan originally made, insured,  
15 or guaranteed under section 428B shall be  
16 a Federal Direct PLUS Loan;

17 “(iii) a loan originally made, insured,  
18 or guaranteed under section 428H shall be  
19 a Federal Direct Unsubsidized Stafford  
20 Loan; and

21 “(iv) a loan originally made, insured,  
22 or guaranteed under section 428C shall be  
23 a Federal Direct Consolidation Loan.

1           “(C) The interest rate for each loan made  
2           by the Secretary under this paragraph shall be  
3           the rate provided under subsection (c).

4           “(c) INTEREST RATES.—

5           “(1) IN GENERAL.—The interest rate for the  
6           refinanced Federal Direct Stafford Loans, Federal  
7           Direct Unsubsidized Stafford Loans, Federal Direct  
8           PLUS Loans, and Federal Direct Consolidation  
9           Loans, shall be a rate equal to—

10           “(A) in any case where the original loan  
11           was a loan under section 428 or 428H, a Fed-  
12           eral Direct Stafford loan, or a Federal Direct  
13           Unsubsidized Stafford Loan, that was issued to  
14           an undergraduate student, a rate equal to the  
15           rate for Federal Direct Stafford Loans and  
16           Federal Direct Unsubsidized Stafford Loans  
17           issued to undergraduate students for the 12-  
18           month period beginning on July 1, 2016, and  
19           ending on June 30, 2017;

20           “(B) in any case where the original loan  
21           was a loan under section 428 or 428H, a Fed-  
22           eral Direct Stafford Loan, or a Federal Direct  
23           Unsubsidized Stafford Loan, that was issued to  
24           a graduate or professional student, a rate equal  
25           to the rate for Federal Direct Unsubsidized



1           Stafford Loans issued to graduate or profes-  
2           sional students for the 12-month period begin-  
3           ning on July 1, 2016, and ending on June 30,  
4           2017;

5           “(C) in any case where the original loan  
6           was a loan under section 428B or a Federal Di-  
7           rect PLUS Loan, a rate equal to the rate for  
8           Federal Direct PLUS Loans for the 12-month  
9           period beginning on July 1, 2016, and ending  
10          on June 30, 2017; and

11          “(D) in any case where the original loan  
12          was a loan under section 428C or a Federal Di-  
13          rect Consolidation Loan, a rate calculated in ac-  
14          cordance with paragraph (2).

15          “(2) INTEREST RATES FOR CONSOLIDATION  
16          LOANS.—

17          “(A) METHOD OF CALCULATION.—In  
18          order to determine the interest rate for any re-  
19          financed Federal Direct Consolidation Loan  
20          under paragraph (1)(D), the Secretary shall—

21                  “(i) determine each of the component  
22                  loans that were originally consolidated in  
23                  the loan under section 428C or the Federal  
24                  Direct Consolidation Loan, and calculate  
25                  the proportion of the unpaid principal bal-

1           ance of the loan under section 428C or the  
2           Federal Direct Consolidation Loan that  
3           each component loan represents;

4           “(ii) use the proportions determined  
5           in accordance with clause (i) and the inter-  
6           est rate applicable for each component  
7           loan, as determined under subparagraph  
8           (B), to calculate the weighted average of  
9           the interest rates on the loans consolidated  
10          into the loan under section 428C or the  
11          Federal Direct Consolidation Loan; and

12          “(iii) apply the weighted average cal-  
13          culated under clause (ii) as the interest  
14          rate for the refinanced Federal Direct Con-  
15          solidation Loan.

16          “(B) INTEREST RATES FOR COMPONENT  
17          LOANS.—The interest rates for the component  
18          loans of a loan made under section 428C or a  
19          Federal Direct Consolidation Loan shall be the  
20          following:

21                 “(i) The interest rate for any loan  
22                 under section 428 or 428H, Federal Direct  
23                 Stafford Loan, or Federal Direct Unsub-  
24                 sidized Stafford Loan issued to an under-

1 graduate student shall be a rate equal to  
2 the lesser of—

3 “(I) the rate for Federal Direct  
4 Stafford Loans and Federal Direct  
5 Unsubsidized Stafford Loans issued  
6 to undergraduate students for the 12-  
7 month period beginning on July 1,  
8 2016, and ending on June 30, 2017;  
9 or

10 “(II) the original interest rate of  
11 the component loan.

12 “(ii) The interest rate for any loan  
13 under section 428 or 428H, Federal Direct  
14 Stafford Loan, or Federal Direct Unsub-  
15 sidized Stafford Loan issued to a graduate  
16 or professional student shall be a rate  
17 equal to the lesser of—

18 “(I) the rate for Federal Direct  
19 Unsubsidized Stafford Loans issued  
20 to graduate or professional students  
21 for the 12-month period beginning on  
22 July 1, 2016, and ending on June 30,  
23 2017; or

24 “(II) the original interest rate of  
25 the component loan.

1           “(iii) The interest rate for any loan  
2           under section 428B or Federal Direct  
3           PLUS Loan shall be a rate equal to the  
4           lesser of—

5                   “(I) the rate for Federal Direct  
6                   PLUS Loans for the 12-month period  
7                   beginning on July 1, 2016, and end-  
8                   ing on June 30, 2017; or

9                   “(II) the original interest rate of  
10                  the component loan.

11                  “(iv) The interest rate for any compo-  
12                  nent loan that is a loan under section  
13                  428C or a Federal Direct Consolidation  
14                  Loan shall be the weighted average of the  
15                  interest rates that would apply under this  
16                  subparagraph for each loan comprising the  
17                  component consolidation loan.

18                  “(v) The interest rate for any eligible  
19                  loan that is a component of a loan made  
20                  under section 428C or a Federal Direct  
21                  Consolidation Loan and is not described in  
22                  clauses (i) through (iv) shall be the inter-  
23                  est rate on the original component loan.

24                  “(3) FIXED RATE.—The applicable rate of in-  
25                  terest determined under paragraph (1) for a refi-

1 nanced loan under this section shall be fixed for the  
2 period of the loan.

3 “(d) TERMS AND CONDITIONS OF LOANS.—

4 “(1) IN GENERAL.—A loan that is refinanced  
5 under this section shall have the same terms and  
6 conditions as the original loan, except as otherwise  
7 provided in this section.

8 “(2) NO AUTOMATIC EXTENSION OF REPAY-  
9 MENT PERIOD.—Refinancing a loan under this sec-  
10 tion shall not result in the extension of the duration  
11 of the repayment period of the loan, and the bor-  
12 rower shall retain the same repayment term that  
13 was in effect on the original loan. Nothing in this  
14 paragraph shall be construed to prevent a borrower  
15 from electing a different repayment plan at any time  
16 in accordance with section 455(d)(3).

17 “(e) DEFINITION OF QUALIFIED BORROWER.—

18 “(1) IN GENERAL.—For purposes of this sec-  
19 tion, the term ‘qualified borrower’ means a bor-  
20 rower—

21 “(A) of a loan under this part or part B  
22 for which the first disbursement was made, or  
23 the application for a consolidation loan was re-  
24 ceived, before July 1, 2019; and

1           “(B) who meets the eligibility requirements  
2           based on income or debt-to-income ratio estab-  
3           lished by the Secretary.

4           “(2) INCOME REQUIREMENTS.—Not later than  
5           180 days after the date of enactment of the Helping  
6           Individuals Get a Higher Education while Reducing  
7           Education Debt Act, the Secretary shall establish  
8           eligibility requirements based on income or debt-to-  
9           income ratio that take into consideration providing  
10          access to refinancing under this section for bor-  
11          rowers with the greatest financial need.

12          “(f) NOTIFICATION TO BORROWERS.—The Secretary,  
13          in coordination with the Director of the Bureau of Con-  
14          sumer Financial Protection, shall undertake a campaign  
15          to alert borrowers of loans that are eligible for refinancing  
16          under this section that the borrowers are eligible to apply  
17          for such refinancing. The campaign shall include the fol-  
18          lowing activities:

19                 “(1) Developing consumer information mate-  
20                 rials about the availability of Federal student loan  
21                 refinancing.

22                 “(2) Requiring servicers of loans under this  
23                 part or part B to provide such consumer information  
24                 to borrowers in a manner determined appropriate by

1 the Secretary, in consultation with the Director of  
2 the Bureau of Consumer Financial Protection.

3 **“SEC. 460B. FEDERAL DIRECT REFINANCED PRIVATE LOAN**  
4 **PROGRAM.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) ELIGIBLE PRIVATE EDUCATION LOAN.—

7 The term ‘eligible private education loan’ means a  
8 private education loan, as defined in section 140(a)  
9 of the Truth in Lending Act (15 U.S.C. 1650(a)),  
10 that—

11 “(A) was disbursed to the borrower before  
12 July 1, 2019; and

13 “(B) was for the borrower’s own postsec-  
14 ondary educational expenses for an eligible pro-  
15 gram at an institution of higher education par-  
16 ticipating in the loan program under this part,  
17 as of the date that the loan was disbursed.

18 “(2) FEDERAL DIRECT REFINANCED PRIVATE  
19 LOAN.—The term ‘Federal Direct Refinanced Pri-  
20 vate Loan’ means a loan issued under subsection  
21 (b)(1).

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

1           “(4) QUALIFIED BORROWER.—The term ‘quali-  
2           fied borrower’ means an individual who—

3                   “(A) has an eligible private education loan;

4                   “(B) has been current on payments on the  
5           eligible private education loan for the 6 months  
6           prior to the date of the qualified borrower’s ap-  
7           plication for refinancing under this section, and  
8           is in good standing on the loan at the time of  
9           such application;

10                   “(C) is not in default on the eligible pri-  
11           vate education loan or on any loan made, in-  
12           sured, or guaranteed under this part or part B  
13           or E; and

14                   “(D) meets the eligibility requirements de-  
15           scribed in subsection (b)(2).

16           “(b) PROGRAM AUTHORIZED.—

17                   “(1) IN GENERAL.—The Secretary, in consulta-  
18           tion with the Secretary of the Treasury, shall carry  
19           out a program under which the Secretary, upon ap-  
20           plication by a qualified borrower who has an eligible  
21           private education loan, shall issue such borrower a  
22           loan under this part in accordance with the fol-  
23           lowing:

24                   “(A) The loan issued under this program  
25           shall be in an amount equal to the sum of the



1           unpaid principal, accrued unpaid interest, and  
2           late charges of the private education loan.

3           “(B) The Secretary shall pay the proceeds  
4           of the loan issued under this program to the  
5           private educational lender of the private edu-  
6           cation loan, in order to discharge the qualified  
7           borrower from any remaining obligation to the  
8           lender with respect to the original loan.

9           “(C) The Secretary shall require that the  
10          qualified borrower undergo loan counseling that  
11          provides all of the information and counseling  
12          required under clauses (i) through (viii) of sec-  
13          tion 485(b)(1)(A) before the loan is refinanced  
14          in accordance with this section, and before the  
15          proceeds of such loan are paid to the private  
16          educational lender.

17          “(D) The Secretary shall issue the loan as  
18          a Federal Direct Refinanced Private Loan,  
19          which shall have the same terms, conditions,  
20          and benefits as a Federal Direct Unsubsidized  
21          Stafford Loan, except as otherwise provided in  
22          this section.

23          “(2) BORROWER ELIGIBILITY.—Not later than  
24          180 days after the date of enactment of the Helping  
25          Individuals Get a Higher Education while Reducing

1 Education Debt Act, the Secretary, in consultation  
2 with the Secretary of the Treasury and the Director  
3 of the Bureau of Consumer Financial Protection,  
4 shall establish eligibility requirements—

5 “(A) based on income or debt-to-income  
6 ratio that take into consideration providing ac-  
7 cess to refinancing under this section for bor-  
8 rowers with the greatest financial need;

9 “(B) to ensure eligibility only for bor-  
10 rowers in good standing;

11 “(C) to minimize inequities between Fed-  
12 eral Direct Refinanced Private Loans and other  
13 Federal student loans;

14 “(D) to preclude windfall profits for pri-  
15 vate educational lenders; and

16 “(E) to ensure full access to the program  
17 authorized in this subsection for borrowers with  
18 private loans who otherwise meet the criteria  
19 established in accordance with subparagraphs  
20 (A) and (B).

21 “(c) INTEREST RATE.—

22 “(1) IN GENERAL.—The interest rate for a  
23 Federal Direct Refinanced Private Loan is—

24 “(A) in the case of a Federal Direct Refi-  
25 nanced Private Loan for a private education

1 loan originally issued for undergraduate post-  
2 secondary educational expenses, a rate equal to  
3 the rate for Federal Direct Stafford Loans and  
4 Federal Direct Unsubsidized Stafford Loans  
5 issued to undergraduate students for the 12-  
6 month period beginning on July 1, 2016, and  
7 ending on June 30, 2017; and

8 “(B) in the case of a Federal Direct Refi-  
9 nanced Private Loan for a private education  
10 loan originally issued for graduate or profes-  
11 sional degree postsecondary educational ex-  
12 penses, a rate equal to the rate for Federal Di-  
13 rect Unsubsidized Stafford Loans issued to  
14 graduate or professional students for the 12-  
15 month period beginning on July 1, 2016, and  
16 ending on June 30, 2017.

17 “(2) COMBINED UNDERGRADUATE AND GRAD-  
18 UATE STUDY LOANS.—If a Federal Direct Refi-  
19 nanced Private Loan is for a private education loan  
20 originally issued for both undergraduate and grad-  
21 uate or professional postsecondary educational ex-  
22 penses, the interest rate shall be a rate equal to the  
23 rate for Federal Direct PLUS Loans for the 12-  
24 month period beginning on July 1, 2016, and ending  
25 on June 30, 2017.

1           “(3) FIXED RATE.—The applicable rate of in-  
2           terest determined under this subsection for a Fed-  
3           eral Direct Refinanced Private Loan shall be fixed  
4           for the period of the loan.

5           “(d) NO INCLUSION IN AGGREGATE LIMITS.—The  
6           amount of a Federal Direct Refinanced Private Loan, or  
7           a Federal Direct Consolidated Loan to the extent such  
8           loan was used to repay a Federal Direct Refinanced Pri-  
9           vate Loan, shall not be included in calculating a bor-  
10          rower’s annual or aggregate loan limits under section 428  
11          or 428H.

12          “(e) NO ELIGIBILITY FOR SERVICE-RELATED RE-  
13          PAYMENT.—Notwithstanding sections 428K(a)(2)(A),  
14          428L(b)(2), 455(m)(3)(A), and 460(b), a Federal Direct  
15          Refinanced Private Loan, or any Federal Direct Consoli-  
16          dation Loan to the extent such loan was used to repay  
17          a Federal Direct Refinanced Private Loan, shall not be  
18          eligible for any loan repayment or loan forgiveness pro-  
19          gram under section 428K, 428L, or 460 or for the repay-  
20          ment plan for public service employees under section  
21          455(m).

22          “(f) PRIVATE EDUCATIONAL LENDER REPORTING  
23          REQUIREMENT.—

24                  “(1) REPORTING REQUIRED.—Not later than  
25                  180 days after the date of enactment of the Helping

1 Individuals Get a Higher Education while Reducing  
2 Education Debt Act, the Secretary, in consultation  
3 with the Secretary of the Treasury and the Director  
4 of the Bureau of Consumer Financial Protection,  
5 shall establish a requirement that private edu-  
6 cational lenders report the data described in para-  
7 graph (2) to the Secretary, to Congress, to the Sec-  
8 retary of the Treasury, and to the Director of the  
9 Bureau of Consumer Financial Protection, in order  
10 to allow for an assessment of the private education  
11 loan market.

12 “(2) CONTENTS OF REPORTING.—The data  
13 that private educational lenders shall report in ac-  
14 cordance with paragraph (1) shall include each of  
15 the following about private education loans (as de-  
16 fined in section 140(a) of the Truth in Lending Act  
17 (15 U.S.C. 1650(a))):

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

20 “(B) The total number of private edu-  
21 cation loan borrowers the lender serves.

22 “(C) The average interest rate on the out-  
23 standing private education loan debt held by the  
24 lender.

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

4           “(E) The proportion of the outstanding  
5           private education loan volume held by the lend-  
6           er that is in default.

7           “(F) The proportions of outstanding pri-  
8           vate education loan borrowers who are 30, 60,  
9           and 90 days delinquent.

10           “(G) The proportions of outstanding pri-  
11           vate education loan volume that is 30, 60, and  
12           90 days delinquent.

13           “(g) NOTIFICATION TO BORROWERS.—The Sec-  
14           retary, in coordination with the Secretary of the Treasury  
15           and the Director of the Bureau of Consumer Financial  
16           Protection, shall undertake a campaign to alert borrowers  
17           about the availability of private student loan refinancing  
18           under this section.”.

19           **SEC. 203. INCOME-BASED REPAYMENT.**

20           Section 493C of the Higher Education Act of 1965  
21           (20 U.S.C. 1098e) is amended by adding at the end the  
22           following:

23           “(f) SPECIAL RULE FOR REFINANCED LOANS.—

24                   “(1) REFINANCED FEDERAL DIRECT AND FFEL  
25           LOANS.—In calculating the period of time during

1 which a borrower of a loan that is refinanced under  
 2 section 460A has made monthly payments for pur-  
 3 poses of subsection (b)(7), the Secretary shall deem  
 4 the period to include all monthly payments made for  
 5 the original loan, and all monthly payments made  
 6 for the refinanced loan, that otherwise meet the re-  
 7 quirements of this section.

8 “(2) FEDERAL DIRECT REFINANCED PRIVATE  
 9 LOANS.—In calculating the period of time during  
 10 which a borrower of a Federal Direct Refinanced  
 11 Private Loan under section 460B has made monthly  
 12 payments for purposes of subsection (b)(7), the Sec-  
 13 retary shall include only payments—

14 “(A) that are made after the date of the  
 15 issuance of the Federal Direct Refinanced Pri-  
 16 vate Loan; and

17 “(B) that otherwise meet the requirements  
 18 of this section.”.

## 19 **TITLE III—LOAN FORGIVENESS**

### 20 **SEC. 301. LOAN FORGIVENESS FOR ADJUNCT FACULTY.**

21 Section 455(m)(3)(B)(ii) of the Higher Education  
 22 Act of 1965 (20 U.S.C. 1087e(m)(3)(B)(ii)) is amended—

23 (1) by striking “teaching as” and inserting the  
 24 following: “teaching—

25 “(I) as”;

1           (2) by striking “, foreign language faculty, and  
 2           part-time faculty at community colleges), as deter-  
 3           mined by the Secretary.” and inserting “and foreign  
 4           language faculty), as determined by the Secretary;  
 5           or”; and

6           (3) by adding at the end the following:

7                           “(II) as a part-time faculty mem-  
 8                           ber or instructor who—

9                                   “(aa) teaches not less than  
 10                                   1 course at an institution of  
 11                                   higher education (as defined in  
 12                                   section 101(a)), a postsecondary  
 13                                   vocational institution (as defined  
 14                                   in section 102(c)), or a Tribal  
 15                                   College or University (as defined  
 16                                   in section 316(b)); and

17                                   “(bb) is not employed on a  
 18                                   full-time basis by any other em-  
 19                                   ployer.”.

20 **SEC. 302. AMENDMENTS TO THE PUBLIC SERVICE LOAN**  
 21 **FORGIVENESS PROGRAM.**

22           (a) PUBLIC SERVICE LOAN FORGIVENESS.—

23                   (1) IN GENERAL.—Section 455(m) of the High-  
 24                   er Education Act of 1965 (20 U.S.C. 1087e(m)) is  
 25                   amended to read as follows:



1       “(m) LOAN FORGIVENESS FOR FEDERAL STUDENT  
2 LOAN BORROWERS EMPLOYED IN PUBLIC SERVICE.—

3               “(1) DEFINITIONS.—In this subsection:

4                       “(A) CERTIFICATION OF EMPLOYMENT.—

5               The term ‘certification of employment’ means a  
6               certification of employment under paragraph  
7               (4).

8                       “(B) FULL-TIME.—The term ‘full-time’,  
9               when used with respect to employment, means  
10              employment—

11                      “(i) with a qualifying employer for not  
12                      less than 30 hours per week; or

13                      “(ii) with 2 or more qualifying em-  
14                      ployers for a total of not less than 30  
15                      hours per week.

16                      “(C) QUALIFYING EMPLOYER.—The term  
17              ‘qualifying employer’ means—

18                      “(i) a Federal, State, local, or Tribal  
19                      government organization or instrumen-  
20                      tality, including any organization estab-  
21                      lished in law as a body politic;

22                      “(ii) an organization that is described  
23                      in section 501(c)(3) of the Internal Rev-  
24                      enue Code of 1986, and exempt from tax-

1           ation under section 501(a) of such Code;  
2           or

3           “(iii) an organization—

4                 “(I) not described in clause (ii)  
5                 that is a not-for-profit organization  
6                 under other Federal or State law;

7                 “(II) that is not a labor organi-  
8                 zation or partisan political organiza-  
9                 tion; and

10                “(III) whose purpose is to di-  
11                rectly provide any of the following  
12                services, as defined in regulations pro-  
13                mulgated by the Secretary:

14                    “(aa) Emergency manage-  
15                    ment and disaster response.

16                    “(bb) Military service.

17                    “(cc) Public safety services,  
18                    including fire prevention and  
19                    suppression, rescue services, haz-  
20                    ardous materials response, ambu-  
21                    lance services, and emergency  
22                    medical services.

23                    “(dd) Law enforcement.

24                    “(ee) Public health, includ-  
25                    ing service through organizations

1 that employ nurses, nurse practi-  
2 tioners, nurses in a clinical set-  
3 ting, or professionals engaged in  
4 health care practitioner occupa-  
5 tions and health care support oc-  
6 cupations, as such terms are de-  
7 fined by the Bureau of Labor  
8 Statistics.

9 “(ff) Public education, in-  
10 cluding the provision of edu-  
11 cational enrichment or support  
12 directly to students or their fami-  
13 lies, employment with a Tribal  
14 College or University (as defined  
15 in section 316(b)), and employ-  
16 ment as an adjunct faculty mem-  
17 ber or instructor for an edu-  
18 cational institution.

19 “(gg) Public interest law  
20 services, including prosecution or  
21 public defense or legal advocacy  
22 on behalf of low-income commu-  
23 nities at a not-for-profit organi-  
24 zation.

1           “(hh) Early childhood edu-  
2           cation, including licensed or regu-  
3           lated childcare, Head Start pro-  
4           grams, and State funded pre-  
5           kindergarten.

6           “(ii) Public service for indi-  
7           viduals with disabilities.

8           “(jj) Public service for the  
9           elderly.

10          “(kk) Public and school-  
11          based library sciences.

12          “(ll) School-based services,  
13          including the provision of non-  
14          educational enrichment or sup-  
15          port directly to students or their  
16          families.

17          “(mm) Social work, includ-  
18          ing child or family services.

19               “(D) QUALIFYING MONTHLY PAYMENT OB-  
20               LIGATION.—The term ‘qualifying monthly pay-  
21               ment obligation’ means a monthly payment obli-  
22               gation due on a loan under the repayment plan  
23               of the borrower—

1                   “(i) that was satisfied by the borrower  
2                   through a payment made after October 1,  
3                   2007; and

4                   “(ii) attributable to a period during  
5                   which the borrower was employed full-time  
6                   by a qualifying employer.

7                   “(E) LOAN MADE UNDER THIS PART.—  
8                   The term ‘loan made under this part’ includes  
9                   a Federal Direct Stafford Loan, Federal Direct  
10                  PLUS Loan, Federal Direct Unsubsidized Staf-  
11                  ford Loan, or Federal Direct Consolidation  
12                  Loan refinanced under section 460A.

13                  “(2) IN GENERAL.—Beginning on July 1, 2019,  
14                  the Secretary shall forgive the applicable percentage  
15                  described in paragraph (3) of the balance of prin-  
16                  cipal and interest due on a loan made under this  
17                  part for a borrower who has satisfied 60 or 120  
18                  qualifying monthly payment obligations on a loan  
19                  made under this part and submitted any certifi-  
20                  cation of employment required under this subsection.

21                  “(3) LOAN FORGIVENESS AFTER 60 PAYMENT  
22                  OBLIGATIONS AND 120 PAYMENT OBLIGATIONS.—  
23                  The applicable percentages under this paragraph  
24                  shall be—

1           “(A) in the case of a borrower who satis-  
2           fies 60 qualifying monthly payment obligations  
3           on a loan made under this part that is not in  
4           default (as defined in section 435), 50 percent  
5           of the total amount of the balance of principal  
6           and interest due on such loan as of the date of  
7           the loan forgiveness; and

8           “(B) in the case of a borrower who satis-  
9           fies 120 qualifying monthly payment obligations  
10          on a loan made under this part that is not in  
11          default, 100 percent of the balance of principal  
12          and interest due on such loan as of the date of  
13          the loan forgiveness.

14          “(4) CERTIFICATION OF EMPLOYMENT RE-  
15          QUIREMENTS.—

16               “(A) IN GENERAL.—In order to receive  
17               loan forgiveness under this subsection, a bor-  
18               rower of a loan made under this part shall sub-  
19               mit to the Secretary a certification of employ-  
20               ment.

21               “(B) CONTENT OF CERTIFICATION.—The  
22               Secretary shall—

23                       “(i) develop, and make easily acces-  
24                       sible, the certification of employment; and

1                   “(ii) ensure that the method of certifi-  
2                   cation—

3                   “(I) allows for the employer to  
4                   indicate and certify the dates of the  
5                   borrower’s employment; and

6                   “(II) provides electronic signa-  
7                   ture options for the employer and for  
8                   the borrower.

9                   “(C) BORROWER ACCESS.—The Secretary  
10                  shall ensure that a borrower may submit a cer-  
11                  tification of employment to the Secretary elec-  
12                  tronically through any information system  
13                  through which the Secretary permits borrowers  
14                  to take self-service actions with respect to their  
15                  loans.

16                  “(D) EXCEPTION FOR SELF-CERTIFI-  
17                  CATION.—The Secretary shall provide a self-  
18                  certification option for the certification of em-  
19                  ployment for borrowers who have extenuating  
20                  circumstances preventing the borrowers from  
21                  obtaining the qualifying employer signature and  
22                  certification required under subparagraph  
23                  (B)(ii), as determined by the Secretary pursu-  
24                  ant to rulemaking and including situations

1 where an employer is no longer in existence or  
2 refuses to cooperate.

3 “(E) PERIODIC REVIEW OF CERTIFICATION  
4 OF EMPLOYMENT.—For each borrower of a loan  
5 made under this part who has submitted a cer-  
6 tification of employment, the Secretary shall—

7 “(i) by not later than 30 days after  
8 receipt of the certification of employ-  
9 ment—

10 “(I) review the certification of  
11 employment and determine the num-  
12 ber of qualifying monthly payment ob-  
13 ligations satisfied on the loan during  
14 the period of employment covered by  
15 the certification of employment;

16 “(II) inform the borrower of the  
17 number of qualifying monthly pay-  
18 ment obligations satisfied; and

19 “(III) inform the borrower of the  
20 number of remaining qualifying  
21 monthly payment obligations to be  
22 satisfied in order for the borrower to  
23 receive partial loan forgiveness under  
24 paragraph (3)(A), and such number



1           needed to receive full loan forgiveness  
2           under paragraph (3)(B); and

3           “(ii) periodically, but not less than  
4           twice annually, notify the borrower, using  
5           the most recent calculation of qualifying  
6           monthly payment obligations, of—

7                       “(I) the number of qualifying  
8                       monthly payment obligations satisfied,  
9                       as of the date of the notice;

10                      “(II) the number of remaining  
11                      qualifying monthly payment obliga-  
12                      tions to be satisfied in order for the  
13                      borrower to receive partial loan for-  
14                      giveness under paragraph (3)(A), and  
15                      such number needed to receive full  
16                      loan forgiveness under paragraph  
17                      (3)(B);

18                      “(III) any steps the borrower can  
19                      take to convert non-qualifying month-  
20                      ly payment obligations into qualifying  
21                      monthly payment obligations, includ-  
22                      ing the options to provide payments to  
23                      satisfy monthly payment obligations  
24                      for past public service under para-  
25                      graph (5)(C); and

1                   “(IV) the dispute resolution pro-  
2                   cess for the Secretary’s determination  
3                   of qualifying monthly payment obliga-  
4                   tions, as described in paragraph (7).

5                   “(5) QUALIFYING MONTHLY PAYMENT OBLIGA-  
6                   TIONS.—

7                   “(A) IN GENERAL.—For purposes of this  
8                   subsection, the number of qualifying monthly  
9                   payment obligations satisfied on a loan is the  
10                  number of monthly payments, during the period  
11                  of employment and based on the repayment  
12                  plan selected by the borrower for such period,  
13                  that would be satisfied based on applying the  
14                  total amount of payments made by the bor-  
15                  rower on the loan at any time during such pe-  
16                  riod.

17                  “(B) ADJUSTMENT OF PAYMENT OBLIGA-  
18                  TION STATUS.—

19                  “(i) HOLD HARMLESS AGAINST RET-  
20                  ROACTIVE DETERMINATIONS.—If the Sec-  
21                  retary has classified a payment obligation  
22                  satisfied by a borrower of a loan made  
23                  under this part as a qualifying monthly  
24                  payment obligation and later determines  
25                  that the payment obligation does not qual-

1           ify, the Secretary shall deem the payment  
2           obligation to be a qualifying monthly pay-  
3           ment obligation to be counted for purposes  
4           of paragraph (2).

5           “(ii) EXPLANATION OF NON-QUALI-  
6           FYING PAYMENT OBLIGATION DETERMINA-  
7           TIONS.—If the Secretary determines that  
8           payments made by a borrower of a loan  
9           made under this part for a period of full-  
10          time employment with a qualifying em-  
11          ployer cannot be applied toward the total  
12          number of qualifying monthly payment ob-  
13          ligations for purposes of paragraph (2),  
14          the Secretary shall provide a borrower with  
15          an explanation and allow the borrower to  
16          correct the reason for such determination,  
17          to the extent possible. Such borrower reme-  
18          diation shall include, at a minimum, pro-  
19          viding a borrower with the opportunity to  
20          reimburse the Secretary for any under-  
21          payment.

22          “(C) SATISFYING PREVIOUSLY NON-QUALI-  
23          FYING MONTHLY PAYMENT OBLIGATIONS.—

24                 “(i) IN GENERAL.—A borrower of a  
25                 loan made under this part who has a pe-

1           riod during which the borrower was em-  
2           ployed full-time with a qualifying employer  
3           but did not satisfy one or more qualifying  
4           monthly payment obligations during such  
5           period, such as a borrower who was in  
6           deferment or forbearance, may satisfy one  
7           or more monthly payment obligations of  
8           that period at a later date by paying the  
9           additional amount needed to satisfy the  
10          qualifying monthly payment obligation, in  
11          accordance with a process established by  
12          the Secretary.

13                 “(ii) DETERMINATION PROCESS.—The  
14          amount of past monthly payment obliga-  
15          tions satisfied by a payment under this  
16          subparagraph for a period of employment  
17          shall be determined using the amount of  
18          the borrower’s monthly payment, based on  
19          any repayment plan, as selected by the  
20          borrower, that could have been selected by  
21          the borrower during such period. The Sec-  
22          retary may require a borrower wishing to  
23          satisfy past monthly payment obligations  
24          under this subparagraph to submit any ad-

1           ditional information necessary to calculate  
2           the amount of the past payments.

3           “(iii) LIMIT.—A borrower may not  
4           satisfy more than 36 past monthly pay-  
5           ment obligations under this subparagraph.

6           “(D) OVERPAYMENT.—In a case in which  
7           the dispute resolution process under paragraph  
8           (8) delays the date on which a borrower would  
9           have received full loan forgiveness under para-  
10          graph (3)(B), the Secretary shall refund the  
11          borrower the amount of any qualifying monthly  
12          payment obligation the borrower makes in ex-  
13          cess of 120 qualifying payment obligations dur-  
14          ing such process.

15          “(6) SPECIAL RULES RELATING TO FEDERAL  
16          DIRECT CONSOLIDATION LOANS.—

17                 “(A) REVIEW OF ANY NEW CONSOLIDA-  
18                 TION LOAN APPLICATION.—

19                         “(i) PUBLIC SERVICE LOAN FORGIVE-  
20                         NESS OPTION ON CONSOLIDATION APPLICA-  
21                         TION.—Beginning on July 1, 2019, the  
22                         Secretary shall include, in any application  
23                         for a Federal Direct Consolidation Loan,  
24                         the option for the borrower to indicate that  
25                         the borrower is consolidating for the pur-

1           pose of using the public service loan for-  
2           giveness program under this subsection.

3           “(ii) REVIEW.—Beginning on July 1,  
4           2019, the Secretary shall, after issuing any  
5           Federal Direct Consolidation Loan to a  
6           borrower who indicated an interest in the  
7           public service loan forgiveness program on  
8           the loan application—

9                   “(I) request that the borrower  
10                   submit a certification of employment;  
11                   and

12                   “(II) after receiving a complete  
13                   certification of employment, review  
14                   the borrower’s past payments on all  
15                   component loans comprising the Fed-  
16                   eral Direct Consolidation Loan and  
17                   inform the borrower—

18                           “(aa) of the number of  
19                           monthly payment obligations sat-  
20                           isfied by the borrower before the  
21                           date of consolidation that are  
22                           qualifying monthly payment obli-  
23                           gations, in accordance with sub-  
24                           paragraph (B); or

1                   “(bb) if no payment obliga-  
2                   tions are satisfied, that the bor-  
3                   rower will not receive any credit  
4                   towards public service loan for-  
5                   giveness under this subsection for  
6                   the Federal Direct Consolidation  
7                   Loan.

8                   “(B) QUALIFYING PAYMENT OBLIGATIONS  
9                   ON ALL COMPONENT LOANS AND LOAN TYPES  
10                  THROUGH CONSOLIDATION.—In the case of a  
11                  borrower of one or more loans eligible for con-  
12                  solidation, including loans made under part B,  
13                  who applies for, and receives, a Federal Direct  
14                  Consolidation Loan, the Secretary shall request  
15                  the borrower submit a certification of employ-  
16                  ment for any qualifying employment and, after  
17                  receiving the certification of employment,  
18                  shall—

19                         “(i) review the borrower’s payment  
20                         history on each of the component loans  
21                         comprising the Federal Direct Consolida-  
22                         tion Loan, including each loan made under  
23                         part B; and

24                         “(ii) for each component loan—

1           “(I) calculate the weighted factor  
2           of the component loan, which shall be  
3           the factor that represents the ratio  
4           between the amount of the component  
5           loan and the amount of the Federal  
6           Direct Consolidation Loan, as deter-  
7           mined by the Secretary;

8           “(II) determine the number of  
9           equivalent monthly payment obliga-  
10          tions toward the Federal Direct Con-  
11          solidation Loan satisfied on the com-  
12          ponent loan by multiplying the weight-  
13          ed factor for the component loan by  
14          the number of qualifying monthly pay-  
15          ment obligations that the borrower  
16          satisfied on the component loan; and

17          “(III) after rounding the number  
18          determined under subclause (II) to  
19          the nearest whole number, deem that  
20          number of equivalent monthly pay-  
21          ment obligations to be qualifying  
22          monthly payment obligations on the  
23          Federal Direct Consolidation Loan.

24                   “(C) APPLICABILITY OF BORROWER PRO-  
25                   TECTIONS AND RIGHTS.—A borrower of one or



1 more loans eligible for consolidation, including  
2 loans made under part B, who applies for and  
3 receives a Federal Direct Consolidation Loan  
4 shall receive all the protections and rights pro-  
5 vided under subparagraphs (B) and (C) of  
6 paragraph (5) for the loan, and for any compo-  
7 nent loan, in the same manner as provided to  
8 any other borrower of a loan made under this  
9 part.

10 “(D) TREATMENT OF CERTAIN CONSOLI-  
11 DATION LOAN PAYMENTS.—In a case in which  
12 a borrower makes a qualifying monthly pay-  
13 ment obligation for purposes of paragraph (2)  
14 on a Federal Direct Consolidation Loan that  
15 was used to repay a Federal Direct Stafford  
16 Loan, Federal Direct PLUS Loan, Federal Di-  
17 rect Unsubsidized Stafford Loan, or Federal  
18 Direct Consolidation Loan refinanced under  
19 section 460A for which at least one qualifying  
20 monthly payment obligation for such purposes  
21 has been made prior to the consolidation, the  
22 qualifying monthly payment obligation on such  
23 Federal Direct Consolidation Loan shall be  
24 treated as a qualifying monthly payment obliga-  
25 tion for purposes of paragraph (2) on such Fed-

1           eral Direct Stafford Loan, Federal Direct  
2           PLUS Loan, Federal Direct Unsubsidized Staf-  
3           ford Loan, or Federal Direct Consolidation  
4           Loan.

5           “(7) NOTICE OF QUALIFYING PAYMENT OBLIGA-  
6           TIONS.—

7                   “(A) INITIAL NOTICE.—Upon receiving  
8                   any verbal or written contact by a borrower on  
9                   or after July 1, 2019, expressing interest in the  
10                  public service loan forgiveness program under  
11                  this subsection, the Secretary, or an eligible  
12                  lender or guaranty agency under part B, shall  
13                  provide the borrower, by not later than 30 days  
14                  after the contract, with a notice that—

15                           “(i) explains the requirements of the  
16                           program, including whether the borrower  
17                           needs to consolidate some or all of the bor-  
18                           rower’s loans to receive forgiveness under  
19                           this subsection;

20                                   “(ii) includes a copy of, or a link to,  
21                                   information about the certification of em-  
22                                   ployment process described in paragraph  
23                                   (4);

24                                           “(iii) includes an estimate of the  
25                                           qualifying monthly payment obligations

1           that would be satisfied by the borrower  
2           based on the borrower’s payment history,  
3           as of the date of notice, if the borrower  
4           was a full-time employee of a qualifying  
5           employer and met the requirements of  
6           paragraph (2); and

7           “(iv) includes an estimate of the num-  
8           ber of remaining qualifying monthly pay-  
9           ment obligations to be satisfied in order  
10          for the borrower to receive partial loan for-  
11          giveness under paragraph (3)(A), and such  
12          number needed to receive full loan forgive-  
13          ness under paragraph (3)(B).

14          “(B) SUBSEQUENT NOTICES.—After pro-  
15          viding an initial notice under subparagraph (A),  
16          the Secretary, or an eligible lender or guaranty  
17          agency under part B, shall annually provide the  
18          borrower with a notice containing the informa-  
19          tion described in such subparagraph for each  
20          subsequent year that the borrower has an out-  
21          standing loan, unless the borrower receives no-  
22          tices under paragraph (4)(E)(ii) or requests  
23          that the notices be discontinued.

24          “(8) DISPUTE RESOLUTION PROCESS.—By not  
25          later than July 1, 2019, the Secretary shall establish

1 a process for borrowers to dispute the calculation of  
2 qualifying monthly payment obligations, or the de-  
3 termination of full or partial loan forgiveness under  
4 paragraph (2), following the submission of a certifi-  
5 cation of employment or application for forgiveness  
6 or any successor certification or application.

7 “(9) SPECIAL RULES FOR SECTION 460A  
8 LOANS.—

9 “(A) REFINANCED FEDERAL DIRECT  
10 LOANS.—Notwithstanding paragraph (2), in de-  
11 termining the number of monthly payments  
12 that meet the requirements of such paragraph  
13 for an eligible Federal Direct Loan refinanced  
14 under section 460A that was originally a loan  
15 under this part, the Secretary shall include all  
16 monthly payments made on the original loan  
17 that meet the requirements of such paragraph.

18 “(B) REFINANCED FFEL LOANS.—In the  
19 case of an eligible Federal Direct Loan refi-  
20 nanced under section 460A that was originally  
21 a loan under part B, only monthly payments  
22 made after the date on which the loan was refi-  
23 nanced may be included for purposes of para-  
24 graph (2).

25 “(10) INELIGIBILITY.—

1           “(A) NO DOUBLE BENEFITS.—No bor-  
2           rower may, for the same service, receive a re-  
3           duction of loan obligations under both this sub-  
4           section and section 428J, 428K, 428L, or 460.

5           “(B) FEDERAL ELECTED SERVICE EX-  
6           CLUDED.—No borrower may receive loan for-  
7           giveness under this subsection for service as a  
8           Member of Congress or President or Vice Presi-  
9           dent of the United States.”.

10           (2) FFEL PROGRAM AMENDMENTS.—Part B of  
11           the Higher Education Act of 1965 (20 U.S.C. 1071  
12           et seq.) is amended—

13                   (A) in section 428 (20 U.S.C. 1078), by  
14                   adding at the end the following:

15           “(p) REPAYMENT HISTORY INFORMATION AND PUB-  
16           LIC SERVICE LOAN FORGIVENESS INFORMATION.—A  
17           guaranty agency shall—

18                   “(1) provide, in a timely manner, any necessary  
19                   borrower repayment history information that the  
20                   Secretary requests in order to determine the bor-  
21                   rower’s eligibility for the public service loan forgive-  
22                   ness program under section 455(m), or the number  
23                   of qualifying monthly payment obligations satisfied  
24                   for purposes of the program, including such infor-

1 mation from all servicers involved in servicing the  
2 borrower’s loan; and

3 “(2) carry out the requirements of section  
4 455(m)(7) upon receiving any verbal or written con-  
5 tact by a borrower on or after July 1, 2019, express-  
6 ing interest in the public service loan forgiveness  
7 program under section 455(m).”; and

8 (B) in section 433 (20 U.S.C. 1083)—

9 (i) by redesignating subsection (f) as  
10 subsection (g); and

11 (ii) by inserting after subsection (e)  
12 the following:

13 “(f) REPAYMENT HISTORY INFORMATION.—An eligi-  
14 ble lender shall—

15 “(1) provide, in a timely manner, any necessary  
16 borrower repayment history information that the  
17 Secretary requests in order to determine the bor-  
18 rower’s eligibility for the public service loan forgive-  
19 ness program under section 455(m), or the number  
20 of qualifying monthly payment obligations satisfied  
21 for purposes of the public service loan forgiveness  
22 program under section 455(m), including such infor-  
23 mation from all servicers involved in servicing the  
24 borrower’s loan; and

1           “(2) carry out the requirements of section  
2           455(m)(7) upon receiving any verbal or written con-  
3           tact by a borrower on or after July 1, 2019, express-  
4           ing interest in the public service loan forgiveness  
5           program under section 455(m).”.

6           (b) NOTIFICATION TO DIRECT LOAN BORROWERS  
7           REGARDING ALL OPTIONS FOR LOAN FORGIVENESS.—  
8           Section 455 of the Higher Education Act of 1965 (20  
9           U.S.C. 1087e) is amended by adding at the end the fol-  
10          lowing:

11          “(r) ANNUAL NOTICE REGARDING LOAN FORGIVE-  
12          NESS OPTIONS.—

13                 “(1) IN GENERAL.—The Secretary shall annu-  
14                 ally provide a written or electronic disclosure to each  
15                 borrower of a loan under this part—

16                         “(A) notifying the borrower—

17                                 “(i) of any loan forgiveness option  
18                                 available under this title that might apply  
19                                 to a loan under this part held by the bor-  
20                                 rower, including the public service loan for-  
21                                 giveness program under subsection (m);  
22                                 and

23                                 “(ii) in the case of a borrower who is  
24                                 a full-time employee of a Federal agency  
25                                 and has not expressed interest in or sub-

1           mitted a certification of employment for  
2           the public service loan forgiveness pro-  
3           gram—

4                   “(I) that the borrower is em-  
5                   ployed by a qualifying employer;

6                   “(II) the number of payment ob-  
7                   ligations satisfied by the borrower  
8                   that the Secretary has determined  
9                   could be qualifying monthly payment  
10                  obligations on eligible Federal Direct  
11                  Loan for purposes of the public serv-  
12                  ice loan forgiveness program; and

13                  “(III) the steps necessary for the  
14                  borrower to submit a certification of  
15                  employment and to obtain forgiveness  
16                  under subsection (m)(2);

17                  “(B) informing the borrower that the loan  
18                  forgiveness options described in subparagraph  
19                  (A) are provided free of charge; and

20                  “(C) including, for each loan forgiveness  
21                  option, information regarding how the borrower  
22                  should proceed, including contact information,  
23                  if the borrower wishes to pursue such loan for-  
24                  giveness option.



1           “(2) EXCLUSIONS.—Notwithstanding para-  
2           graph (1), the Secretary shall not provide a notifica-  
3           tion under this subsection to a borrower of a loan  
4           under this part if—

5                     “(A) the borrower is also receiving a notifi-  
6                     cation under subsection (m)(7); or

7                     “(B) the borrower has requested that the  
8                     Secretary no longer provide the notifications  
9                     under this subsection.”.

10          (c) EFFECTIVE DATE.—The amendments made by  
11          this section shall take effect on July 1, 2019.

12          **SEC. 303. TRANSITION TO IMPROVED PUBLIC SERVICE**  
13                                 **LOAN FORGIVENESS PROGRAM.**

14          (a) REVIEW OF BORROWERS CURRENTLY PARTICI-  
15          PATING IN PUBLIC SERVICE LOAN FORGIVENESS.—

16                     (1) CALCULATING THE NUMBER OF QUALI-  
17                     FYING PAYMENT OBLIGATIONS FOR CURRENT PUB-  
18                     LIC SERVICE LOAN FORGIVENESS PROGRAM PARTICI-  
19                     PANTS.—By not later than July 1, 2019, the Sec-  
20                     retary shall, for each borrower that has submitted a  
21                     certification of employment under the public service  
22                     loan forgiveness program under section 455(m) of  
23                     the Higher Education Act of 1965 (20 U.S.C.  
24                     1087e) before July 1, 2019—

1 (A) calculate the number of qualifying pay-  
2 ment obligations under such section satisfied by  
3 the borrower, using the criteria of such section  
4 as in effect on July 1, 2019; and

5 (B) inform the borrower of the changes in  
6 the public service loan forgiveness program and  
7 the number of qualifying payment obligations  
8 that the borrower will have satisfied for pur-  
9 poses of the program, beginning on July 1,  
10 2019.

11 (2) RETROACTIVE PARTIAL LOAN FORGIVE-  
12 NESS.—By not later than July 1, 2019, the Sec-  
13 retary shall take such steps as are necessary to pro-  
14 vide partial loan forgiveness under section  
15 455(m)(3)(A)(i) of the Higher Education Act of  
16 1965 (20 U.S.C. 1087e(m)(3)(A)(i)), as in effect on  
17 such date, to borrowers with outstanding balance of  
18 principal and interest on a loan made under this  
19 part who met the criteria for partial loan forgiveness  
20 under such section, as in effect on July 1, 2019, be-  
21 fore such date but on or after October 1, 2007.

22 (3) APPLICABILITY OF OTHER PROVISIONS.—In  
23 carrying out paragraphs (1) and (2), and in any  
24 other case where the Secretary is applying the loan  
25 forgiveness provisions of section 455(m) of the High-

1 er Education Act of 1965 (20 U.S.C. 1087e(m)), as  
2 in effect on July 1, 2019, to a borrower for whom  
3 one or more payment obligations were satisfied be-  
4 fore July 1, 2019, the Secretary shall determine the  
5 number of payment obligations satisfied by applying  
6 all of the provisions of such section as in effect on  
7 July 1, 2019, including the calculation of payment  
8 obligations under section 455(m)(5) of such Act and  
9 the inclusion of payment obligations satisfied  
10 through the component loans of a Federal Direct  
11 Consolidation Loan under section 455(m)(6), with-  
12 out regard as to the date on which the payment obli-  
13 gation was satisfied.

14 (b) SPECIAL PSLF PROGRAM FUNDS.—

15 (1) DEFINITION OF SPECIAL PSLF PROGRAM  
16 FUNDS.—In this section, the term “special PSLF  
17 program funds” means the amounts appropriated  
18 for public service loan forgiveness under section 315  
19 of division H of the Consolidated Appropriations  
20 Act, 2018 (Public Law 115–141; March 23, 2018)  
21 or under section 313 of division B of the Depart-  
22 ment of Defense and Labor, Health and Human  
23 Services, and Education Appropriations Act, 2019  
24 and Continuing Appropriations Act, 2019 (Public  
25 Law 115–245; September 28, 2018).

1           (2) RESCISSION.—Upon the effective date de-  
2           scribed in section 2(c), all special PSLF program  
3           funds that remain unexpended on such date shall be  
4           rescinded.

5           (3) TRANSITION.—The Secretary of Education  
6           shall establish a process through which the Secretary  
7           shall—

8                   (A) review the applications of borrowers  
9                   who applied for the loan forgiveness program  
10                  carried out with special PSLF program funds  
11                  but had not received loan forgiveness through  
12                  such program before July 1, 2019; and

13                   (B) assist such borrowers in pursuing loan  
14                   forgiveness under section 455(m) of the Higher  
15                   Education Act of 1965 (20 U.S.C. 1087e(m)),  
16                   as in effect on July 1, 2019.

17           **TITLE IV—INCOME-DRIVEN**  
18           **REPAYMENT PLANS**

19           **SEC. 401. INCOME-BASED REPAYMENT PLAN.**

20           Section 493C of the Higher Education Act of 1965  
21           (20 U.S.C. 1098e) is amended—

22                   (1) in subsection (b)—

23                           (A) in paragraph (8), by striking “and”  
24                           after the semicolon;

1 (B) in paragraph (9), by striking the pe-  
2 riod at the end and inserting “; and”; and

3 (C) by adding at the end the following:

4 “(10) a borrower who is repaying a loan made  
5 under part B or D pursuant to this section may  
6 repay such loan in full at any time without pen-  
7 alty.”; and

8 (2) by adding at the end the following:

9 “(f) INCOME-BASED REPAYMENT FOR NEW LOANS  
10 ON AND AFTER JULY 1, 2019, AND FOR BORROWERS  
11 WHO ENTER IBR AFTER JULY 1, 2019.—

12 “(1) IN GENERAL.—The income-based repay-  
13 ment plan shall be carried out in accordance with  
14 this section, except as otherwise specified in this  
15 subsection (including through the special terms de-  
16 scribed in paragraph (2))—

17 “(A) with respect to any loan issued on or  
18 after July 1, 2019, if such borrower elects the  
19 income-based repayment plan for that loan; and

20 “(B) with respect to any borrower who is  
21 repaying a loan made, insured, or guaranteed  
22 under part B or D, if such borrower elects to  
23 repay the loan under the income-based repay-  
24 ment plan on or after July 1, 2019.

1           “(2) SPECIAL TERMS.—Notwithstanding any  
2 other provision of this section, with respect to a loan  
3 described under paragraph (1), the following terms  
4 shall apply to the income-based repayment plan:

5           “(A)(i) Notwithstanding subsection  
6 (a)(3)(B), the repayment amount under this  
7 subsection shall be an amount equal to 10 per-  
8 cent of the result obtained by calculating, on at  
9 least an annual basis, the amount by which—

10           “(I) the borrower’s, and the bor-  
11 rower’s spouse (if applicable), adjusted  
12 gross income; exceeds

13           “(II) the applicable percentage of the  
14 poverty line in accordance with clause (ii)  
15 that is applicable to the borrower’s family  
16 size as determined under section 673(2) of  
17 the Community Services Block Grant Act  
18 (42 U.S.C. 9902(2)).

19           “(ii) For purposes of clause (i), the term  
20 ‘applicable percentage’ means 150 percent re-  
21 duced by 1 percentage point for each \$1,000 by  
22 which the borrower’s adjusted gross income ex-  
23 ceeds \$100,000.

24           “(B) A borrower may elect—

1           “(i) during any period during which  
2           the borrower’s (and the borrower’s spouse,  
3           if applicable) adjusted gross income is  
4           equal to or less than 225 percent of the  
5           poverty line applicable to the borrower’s  
6           family size as determined under section  
7           673(2) of the Community Services Block  
8           Grant Act (42 U.S.C. 9902(2)), to have  
9           the borrower’s aggregate monthly payment  
10          for all such loans equal to \$0; and

11          “(ii) during any period during which  
12          the borrower’s (and the borrower’s spouse,  
13          if applicable) adjusted gross income ex-  
14          ceeds 225 percent of such poverty line, to  
15          have the borrower’s aggregate monthly  
16          payment for all such loans not exceed, the  
17          lesser of—

18                 “(I) the result described in sub-  
19                 paragraph (A) divided by 12; or

20                 “(II) the monthly amount cal-  
21                 culated under section 455(d)(1)(A),  
22                 based on a 10-year repayment period,  
23                 when the borrower first made the elec-  
24                 tion described in this subsection.

1           “(C) With respect to any loan for which  
2           payments may be made under subparagraph  
3           (B), be paid, or be treated as if no interest has  
4           accrued, by the Secretary—

5                   “(i) for any period described in sub-  
6                   paragraph (B)(i); and

7                   “(ii) for the 6-month period after the  
8                   date the borrower ceases to carry at least  
9                   one-half the normal full-time academic  
10                  workload at an institution of higher edu-  
11                  cation, as determined by the institution,  
12                  and during which the borrower is not earn-  
13                  ing any income.

14           “(D) Subsection (b)(7)(B) shall be applied  
15           by substituting ‘20 years’ for ‘25 years’.

16           “(E) A borrower of such a loan shall not  
17           be required to have a partial financial hardship  
18           and may elect, and remain enrolled in, the in-  
19           come-based repayment plan under this sub-  
20           section regardless of income level.

21           “(F) Subparagraph (A) of subsection  
22           (b)(6) shall not apply and a borrower’s monthly  
23           payment shall be determined in accordance with  
24           subparagraph (A) divided by 12, which may ex-



1           ceed the monthly repayment amount under a  
2           standard 10-year repayment plan.

3           “(G) Subparagraph (B) of subsection  
4           (b)(3) shall not apply.

5           “(3) ADDITIONAL SPECIAL TERMS FOR CER-  
6           TAIN BORROWERS.—A borrower described in para-  
7           graph (1)(B)—

8           “(A) may choose to retain the repayment  
9           plan in which the borrower is enrolled on June  
10          30, 2019;

11          “(B) may elect to—

12           “(i) leave the repayment plan de-  
13           scribed in subparagraph (A) and enter the  
14           income-based repayment plan under this  
15           subsection;

16           “(ii) leave the repayment plan de-  
17           scribed in subparagraph (A) and enter a  
18           standard 10-year repayment plan under  
19           section 455(d)(A)(A); or

20           “(iii) not more than once per calendar  
21           year, switch between the repayment plans  
22           described in clauses (i) and (ii);

23           “(C) after electing to leave a repayment  
24           plan other than an income-based repayment  
25           plan described under this subsection or a stand-

1           ard 10-year repayment plan under section  
 2           455(d)(A)(A), shall not be permitted to re-elect  
 3           a repayment plan that is not an income-based  
 4           repayment plan under this subsection or such  
 5           standard 10-year repayment plan; and

6           “(D) shall retain, for purposes of repay-  
 7           ment or cancellation of any outstanding balance  
 8           of principal and interest due on a loan (as de-  
 9           scribed in subsection (b)(7)) any years of repay-  
 10          ment under another income-based or income-  
 11          contingent repayment plan under this title.

12          “(4) CAP ON INTEREST ACCRUAL.—Notwith-  
 13          standing any other provision of this Act, the total  
 14          amount of interest that accrues during a borrower’s  
 15          grace period and the time that a borrower is in re-  
 16          payment under this subsection shall not exceed 50  
 17          percent of the original principal amount of the  
 18          loan.”.

19 **SEC. 402. TERMINATION OF CERTAIN REPAYMENT PLAN**  
 20 **OPTIONS.**

21          (a) EFFECTIVE DATE; RULEMAKING REGARDING  
 22 TERMINATION OF CERTAIN REPAYMENT PLANS.—

23           (1) EFFECTIVE DATE.—The amendments made  
 24          by this section shall take effect on July 1, 2019.

1           (2) REGULATIONS.—Before the effective date  
2 described in paragraph (1), the Secretary of Edu-  
3 cation shall carry out a plan to end all eligibility for  
4 repayment plans other than a standard repayment  
5 plan under section 428(b)(9)(A)(i) or 455(d)(1)(A)  
6 with a repayment period of 10 years and an income-  
7 based repayment plan described under section  
8 493C(f) for loans made under part B or D of title  
9 IV of the Higher Education Act of 1965, unless the  
10 borrower is enrolled in another repayment plan be-  
11 fore such effective date, in accordance with the  
12 amendments made by this Act.

13 (b) CHANGES TO CURRENT LAW.—

14           (1) Section 428(b) of the Higher Education Act  
15 of 1965 (20 U.S.C. 1078(b)) is amended—

16                   (A) in paragraph (1)—

17                           (i) in subparagraph (D)—

18                                   (I) in clause (ii), by striking  
19 “may annually change the selection of  
20 a repayment plan under this part,”  
21 and inserting “may at any time after  
22 July 1, 2019, and not more frequently  
23 than once per calendar year there-  
24 after, change the selection of a repay-  
25 ment plan under this part to one of

1 the 2 repayment plans described in  
2 paragraph (9)(C),”; and

3 (II) in clause (iii), by striking  
4 “be subject to income-contingent re-  
5 payment in accordance with sub-  
6 section (m);” and inserting “be sub-  
7 ject to income-based repayment in ac-  
8 cordance with section 493C(f);”; and

9 (ii) in subparagraph (E)(i), by strik-  
10 ing “the option of repaying the loan in ac-  
11 cordance with a standard, graduated, in-  
12 come-sensitive, or extended repayment  
13 schedule (as described in paragraph (9))  
14 established by the lender in accordance  
15 with regulations of the Secretary; and”  
16 and inserting “the option of repaying the  
17 loan in accordance with a repayment plan  
18 described in paragraph (9)(C) established  
19 by the lender in accordance with regula-  
20 tions of the Secretary; and”; and

21 (B) in paragraph (9), by adding at the end  
22 the following:

23 “(C) SELECTION OF REPAYMENT PLANS  
24 ON AND AFTER JULY 1, 2019.—

1           “(i) OPPORTUNITY TO CHANGE RE-  
2           PAYMENT PLANS.—Notwithstanding any  
3           other provision of this paragraph, or any  
4           other provision of law, and in accordance  
5           with regulations, beginning on July 1,  
6           2019, the lender shall offer a borrower of  
7           a loan made, insured, or guaranteed under  
8           this part the opportunity to change repay-  
9           ment plans not more than once per cal-  
10          endar year, and to enroll in one of the fol-  
11          lowing repayment plans:

12                       “(I) A standard repayment plan  
13                       under section 428(b)(9)(A)(i) with a  
14                       repayment period of 10 years.

15                       “(II) The income-based repay-  
16                       ment plan under section 493C(f).”;

17          (2) in section 455(d)—

18                       (A) by redesignating paragraphs (2)  
19                       through (5) as paragraphs (3) through (6), re-  
20                       spectively; and

21                       (B) by inserting after paragraph (1), the  
22                       following:

23                       “(2) DESIGN AND SELECTION ON AND AFTER  
24                       JULY 1, 2019.—

1           “(A) IN GENERAL.—Notwithstanding para-  
2 graph (1), for the borrower of a loan made on  
3 or after July 1, 2019, and for other borrowers  
4 subject to paragraph (7), the Secretary shall  
5 offer a borrower of a loan made under this part  
6 2 plans for repayment of such loan, including  
7 principal and interest on the loan. The borrower  
8 shall be entitled to accelerate, without penalty,  
9 repayment on the borrower’s loans under this  
10 part. The borrower may choose—

11                   “(i) a standard repayment plan under  
12 section 455(d)(1)(A) with a repayment pe-  
13 riod of 10 years; or

14                   “(ii) the income-based repayment plan  
15 under section 493C(f).

16           “(B) SELECTION BY THE SECRETARY.—If  
17 a borrower of a loan made under this part on  
18 or after July 1, 2019, does not select a repay-  
19 ment plan described in subparagraph (A), the  
20 Secretary may provide the borrower with a  
21 standard repayment plan under section  
22 455(d)(1)(A) with a repayment period of 10  
23 years.

24           “(C) CHANGES IN SELECTIONS.—Begin-  
25 ning on July 1, 2019, a borrower of a loan

1           made under this part may change the bor-  
2           rower’s selection of a repayment plan in accord-  
3           ance with paragraph (7) and under such terms  
4           and conditions as may be established by the  
5           Secretary.

6           “(D) BORROWER IN DEFAULT.—Beginning  
7           on July 1, 2019, the Secretary may require any  
8           borrower who has defaulted on a loan made  
9           under this part to—

10                   “(i) pay all reasonable collection costs  
11                   associated with such loan; and

12                   “(ii) repay the loan pursuant to an in-  
13                   come-based repayment plan under section  
14                   493C(f).”; and

15           (3) by adding at the end the following:

16           “(7) BORROWERS OF LOANS MADE BEFORE  
17           JULY 1, 2019.—A borrower who is in repayment on  
18           a loan made under part B or part D before July 1,  
19           2019—

20                   “(A) may choose to retain the repayment  
21                   plan that the borrower was enrolled in on the  
22                   day before such date;

23                   “(B) may elect to—

24                   “(i) enter the income-based repayment  
25                   plan under section 493C(f);

1           “(ii) enter a standard repayment plan  
2           under section 455(d)(1)(A) with a repay-  
3           ment period of 10 years; or

4           “(iii) switch between the repayment  
5           plans described in clauses (i) and (ii) not  
6           more than once during a calendar year;

7           “(C) after electing to leave a repayment  
8           plan other than an income-based repayment  
9           plan described under this subsection or a stand-  
10          ard repayment plan under section 455(d)(1)(A),  
11          shall not be permitted to re-elect a repayment  
12          plan that is not an income-based repayment  
13          plan under this subsection or a standard repay-  
14          ment plan under section 455(d)(1)(A); and

15          “(D) shall retain, for purposes of repay-  
16          ment or cancellation of any outstanding balance  
17          of principal and interest due on a loan (as de-  
18          scribed in section 493C(b)(7)) any years of re-  
19          payment under another income-based or in-  
20          come-contingent repayment plan under this  
21          title.”.

22 **SEC. 403. NOTIFICATION AND AUTOMATIC ENROLLMENT**  
23 **PROCEDURES.**

24          (a) **INCOME-CONTINGENT REPAYMENT.**—Section  
25 455(d) of the Higher Education Act of 1965 (20 U.S.C.



1 1087e(d)) is further amended by adding at the end the  
2 following:

3 “(8) NOTIFICATION AND AUTOMATIC ENROLL-  
4 MENT PROCEDURES FOR BORROWERS WHO ARE DE-  
5 LINQUENT ON LOANS.—

6 “(A) AUTHORITY TO OBTAIN INCOME IN-  
7 FORMATION.—

8 “(i) IN GENERAL.—In the case of any  
9 borrower who is at least 60 days delin-  
10 quent on a covered loan, the Secretary may  
11 obtain such information as is reasonably  
12 necessary regarding the income and family  
13 size of the borrower (and the borrower’s  
14 spouse, if applicable).

15 “(ii) AVAILABILITY OF RETURNS AND  
16 RETURN INFORMATION.—Returns and re-  
17 turn information (as defined in section  
18 6103 of the Internal Revenue Code of  
19 1986) may be obtained under this subpara-  
20 graph only to the extent authorized by sec-  
21 tion 6103(l)(13) of such Code.

22 “(B) BORROWER NOTIFICATION.—With re-  
23 spect to each borrower of a covered loan who is  
24 at least 60 days delinquent on such loan and  
25 who has not been subject to the procedures

1 under this paragraph for such loan in the pre-  
2 ceding 120 days, the Secretary shall, as soon as  
3 practicable after such 60-day delinquency, pro-  
4 vide to the borrower the following:

5 “(i) Notification that the borrower is  
6 at least 60 days delinquent on at least 1  
7 covered loan, and a description of all delin-  
8 quent covered loans, nondelinquent covered  
9 loans, and noncovered loans of the bor-  
10 rower.

11 “(ii) A brief description of the repay-  
12 ment plans for which the borrower is eligi-  
13 ble and the covered loans and noncovered  
14 loans of the borrower that may be eligible  
15 for such plans, based on information avail-  
16 able to the Secretary.

17 “(iii) Clear and simple instructions on  
18 how to select the repayment plans.

19 “(iv) The amount of monthly pay-  
20 ments for the covered and noncovered  
21 loans under the repayment plans for which  
22 the borrower is eligible, based on informa-  
23 tion available to the Secretary, including, if  
24 the income information of the borrower is

1 available to the Secretary under subpara-  
2 graph (A)—

3 “(I) the amount of the monthly  
4 payment under each income-driven re-  
5 payment plan for which the borrower  
6 is eligible for the borrower’s covered  
7 and noncovered loans, based on such  
8 income information; and

9 “(II) the income, family size, tax  
10 filing status, and tax year information  
11 on which each monthly payment is  
12 based.

13 “(v) An explanation that in the case  
14 of a borrower for whom adjusted gross in-  
15 come is unavailable—

16 “(I) if the borrower selects to  
17 repay the covered loans of such bor-  
18 rower pursuant to an income-driven  
19 repayment plan that defines discre-  
20 tionary income in such a manner that  
21 an individual not required under sec-  
22 tion 6012(a)(1) of the Internal Rev-  
23 enue Code of 1986 to file a return  
24 with respect to income taxes imposed  
25 by subtitle A of such Code may have

1 a calculated monthly payment greater  
2 than \$0, the borrower will be required  
3 to provide the Secretary with other  
4 documentation of income satisfactory  
5 to the Secretary, which documentation  
6 the Secretary may use to determine  
7 an appropriate repayment schedule;  
8 and

9 “(II) if the borrower selects to  
10 repay such loans pursuant to an in-  
11 come-driven repayment plan that is  
12 not described in subclause (I), the  
13 borrower will not be required to pro-  
14 vide the Secretary with such other  
15 documentation of income, and the bor-  
16 rower will have a calculated monthly  
17 payment of \$0.

18 “(vi) An explanation that the Sec-  
19 retary shall take the actions under sub-  
20 paragraph (C) with respect to such bor-  
21 rower, if—

22 “(I) the borrower is 120 days de-  
23 linquent on one or more covered loans  
24 and has not selected a new repayment

1 plan for the covered loans of the bor-  
2 rower; and

3 “(II) in the case of such a bor-  
4 rower whose repayment plan for the  
5 covered loans of the borrower is not  
6 an income-driven repayment plan, the  
7 monthly payments under such repay-  
8 ment plan are higher than such  
9 monthly payments would be under an  
10 income-driven repayment plan for  
11 such loans.

12 “(vii) Instructions on updating the in-  
13 formation of the borrower obtained under  
14 subparagraph (A).

15 “(C) SECRETARY’S INITIAL SELECTION OF  
16 PLAN.—With respect to each borrower de-  
17 scribed in subparagraph (B) who has a repay-  
18 ment plan for the covered loans of the borrower  
19 that meets the requirements of clause (vi)(II) of  
20 subparagraph (B) and has not selected a new  
21 repayment plan for such loans in accordance  
22 with the notice received under such subpara-  
23 graph, and who is at least 120 days delinquent  
24 on such a loan, the Secretary shall, as soon as  
25 practicable—

1           “(i) in a case in which any of the bor-  
2           rower’s covered loans are eligible for an in-  
3           come-driven repayment plan—

4                   “(I)(aa) provide the borrower  
5                   with the income-driven repayment  
6                   plan that requires the lowest monthly  
7                   payment amount for each covered loan  
8                   of the borrower, compared to any  
9                   other such plan for which the bor-  
10                  rower is eligible; or

11                   “(bb) if more than one income-  
12                   driven repayment plan would offer the  
13                   borrower the same lowest monthly  
14                   payment amount, provide the bor-  
15                   rower with the income-driven repay-  
16                   ment plan that has the most favorable  
17                   terms for the borrower;

18                   “(II) if the plan selected under  
19                   subclause (I) is not the income-driven  
20                   repayment plan that would have the  
21                   lowest monthly payment amount if the  
22                   borrower were eligible for such plan  
23                   for the borrower’s covered loans and  
24                   noncovered loans, notify the borrower  
25                   of the actions, if any, the borrower

1                   may take to become eligible for such  
2                   income-driven repayment plan; and

3                   “(III) authorize the borrower to  
4                   change the Secretary’s selection of a  
5                   plan under this clause to any plan de-  
6                   scribed in paragraph (1) for which the  
7                   borrower is eligible; and

8                   “(ii) in a case in which none of the  
9                   borrower’s covered loans are eligible for an  
10                  income-driven repayment plan, notify the  
11                  borrower of the actions, if any, the bor-  
12                  rower may take for such loans to become  
13                  eligible for such a plan.

14                  “(D) SECRETARY’S ADDITIONAL SELEC-  
15                  TION OF PLAN.—

16                  “(i) IN GENERAL.—With respect to  
17                  each borrower of a covered loan who se-  
18                  lects a new repayment plan in accordance  
19                  with the notice received under subpara-  
20                  graph (B) and who continues to be delin-  
21                  quent on such loan for a period described  
22                  in clause (ii), the Secretary shall, as soon  
23                  as practicable after such period, carry out  
24                  the procedures described in clauses (i) and  
25                  (ii) of subparagraph (C) for the covered

1 loans of the borrower, if such procedures  
2 would result in lower monthly repayment  
3 amounts on such loan.

4 “(ii) DESCRIPTION OF PERIOD.—The  
5 duration of the period described in clause  
6 (i) shall be the amount of time that the  
7 Secretary determines is sufficient to indi-  
8 cate that the borrower may benefit from  
9 repaying such loan under a new repayment  
10 plan, but in no case shall such period be  
11 less than 60 days.

12 “(E) OPT-OUT.—A borrower of a covered  
13 loan shall have the right to opt-out of the pro-  
14 cedures under this paragraph.

15 “(9) DEFINITIONS.—In this subsection:

16 “(A) COVERED LOAN.—The term ‘covered  
17 loan’ means—

18 “(i) a loan made under this part;

19 “(ii) a loan purchased under section  
20 459A; or

21 “(iii) a loan that has been assigned to  
22 the Secretary under section 428(c)(8) or  
23 part E.



1           “(B)       INCOME-DRIVEN       REPAYMENT  
2           PLAN.—The term ‘income-driven repayment  
3           plan’ means—

4                   “(i) in the case of a covered loan  
5                   made under this part, purchased under  
6                   section 459A, or assigned to the Secretary  
7                   before July 1, 2019, a plan described in  
8                   subparagraph (D) or (E) of paragraph (1);  
9                   and

10                   “(ii) in the case of a covered loan  
11                   made under this part, purchased under  
12                   section 459A, or assigned to the Secretary  
13                   before July 1, 2019, the income-based re-  
14                   payment plan under section 493C(f).

15           “(C)       NONCOVERED       LOAN.—The term  
16           ‘noncovered loan’ means a loan made, insured,  
17           or guaranteed under this title that is not a cov-  
18           ered loan.”.

19           (b) CHANGING PLANS.—Section 493C(b)(8) of the  
20           Higher Education Act of 1965 (20 U.S.C. 1098e(b)(8))  
21           is amended to read as follows:

22                   “(8) a borrower who is repaying a loan made,  
23                   insured, or guaranteed under part B or D pursuant  
24                   to income-based repayment may elect, at any time,  
25                   to terminate repayment pursuant to income-based

1        repayment and repay such loan under any repay-  
2        ment plan for which the loan is eligible in accord-  
3        ance with the requirements of part B or part D, re-  
4        spectively; and”.

5        (c) EFFECTIVE DATE; APPLICATION.—

6            (1) AUTOMATIC ENROLLMENT.—The amend-  
7        ments made by subsection (a) shall—

8            (A) take effect as soon as the Secretary of  
9        Education determines practicable after the Sec-  
10       retary finalizes the procedures under section  
11       405, but not later than 2 years after the date  
12       of enactment of this Act; and

13           (B) apply to all borrowers of covered loans  
14       (as defined in section 455(d)(9) of the Higher  
15       Education Act of 1965, as added by subsection  
16       (a)).

17           (2) CHANGING PLANS.—The amendment made  
18       by subsection (b) shall take effect on the date of en-  
19       actment of this Act.

20       **SEC. 404. AUTOMATIC RECERTIFICATION OF INCOME.**

21           (a) INCOME-CONTINGENT REPAYMENT.—Section  
22       455(e) of the Higher Education Act of 1965 (20 U.S.C.  
23       1087e(e)) is amended—

24           (1) in paragraph (3)—

1 (A) by striking “does not reasonably re-  
2 flect the borrower’s current income” and insert-  
3 ing “whose income has decreased relative to the  
4 adjusted gross income available to the Sec-  
5 retary”; and

6 (B) by inserting “, consistent with the pro-  
7 cedures established under paragraph  
8 (8)(B)(iv)” before the period at the end; and  
9 (2) by adding at the end the following:

10 “(8) AUTOMATIC RECERTIFICATION.—

11 “(A) DEFINITION.—In this paragraph, the  
12 term ‘covered loan’ has the meaning given the  
13 term in subsection (d)(9).

14 “(B) IN GENERAL.—Beginning as soon as  
15 the Secretary determines practicable after the  
16 Secretary finalizes the procedures under section  
17 405 of the Helping Individuals Get a Higher  
18 Education while Reducing Education Debt Act,  
19 but not later than 2 years after the date of en-  
20 actment of such Act, the Secretary shall estab-  
21 lish and implement, with respect to any bor-  
22 rower described in subparagraph (C), proce-  
23 dures to—

24 “(i) obtain (for each year of repay-  
25 ment and without further action by the

1 borrower) such information as is reason-  
2 ably necessary regarding the income of  
3 such borrower (and the borrower’s spouse,  
4 if applicable), for the purpose of deter-  
5 mining the repayment obligation of the  
6 borrower for such year, including informa-  
7 tion with respect to the borrower’s family  
8 size in accordance with the procedures  
9 under section 405 of the Helping Individ-  
10 uals Get a Higher Education while Reduc-  
11 ing Education Debt Act, subject to clause  
12 (ii);

13 “(ii) allow the borrower, at any time,  
14 to opt-out of clause (i) and prevent the  
15 Secretary from obtaining information  
16 under such clause without further action  
17 by the borrower;

18 “(iii) provide the borrower with an op-  
19 portunity to update the information ob-  
20 tained under clause (i) before the deter-  
21 mination of the annual repayment obliga-  
22 tion of the borrower; and

23 “(iv) in the case of a borrower for  
24 whom adjusted gross income is unavail-  
25 able—

1           “(I) if the borrower has selected  
2           to repay the covered loans of such  
3           borrower pursuant to an income-con-  
4           tingent repayment plan that defines  
5           discretionary income in such a man-  
6           ner that an individual not required  
7           under section 6012(a)(1) of the Inter-  
8           nal Revenue Code of 1986 to file a re-  
9           turn with respect to income taxes im-  
10          posed by subtitle A of such Code may  
11          have a calculated monthly payment  
12          greater than \$0, the borrower will be  
13          required to provide the Secretary with  
14          other documentation of income satis-  
15          factory to the Secretary, which docu-  
16          mentation the Secretary may use to  
17          determine an appropriate repayment  
18          schedule; or

19          “(II) if the borrower has selected  
20          to repay such loans pursuant to an in-  
21          come-contingent repayment that is not  
22          described in subclause (I), the bor-  
23          rower will not be required to provide  
24          the Secretary with such other docu-  
25          mentation of income, and the bor-

1                   rower will have a calculated monthly  
2                   payment of \$0.

3                   “(C) APPLICABILITY.—Subparagraph (B)  
4                   shall apply to each borrower of a covered loan  
5                   who, on or after the date on which the Sec-  
6                   retary establishes procedures under such sub-  
7                   paragraph—

8                   “(i) selects, or for whom the Secretary  
9                   selects under subparagraph (C) or (D) of  
10                  paragraph (8) of subsection (d), or section  
11                  428(m)(1), an income-contingent repay-  
12                  ment plan; or

13                  “(ii) recertifies income and family size  
14                  under such plan.

15                  “(D) AVAILABILITY OF RETURNS AND RE-  
16                  TURN INFORMATION.—Returns and return in-  
17                  formation (as defined in section 6103 of the In-  
18                  ternal Revenue Code of 1986) may be obtained  
19                  under subparagraph (B)(i) only to the extent  
20                  authorized by section 6103(l)(13) of such Code.

21                  “(E) OTHER REQUIREMENTS.—The proce-  
22                  dures established by the Secretary under this  
23                  paragraph shall be consistent with the require-  
24                  ments of paragraphs (1) through (7), except as  
25                  otherwise provided in this paragraph.”.

1 (b) INCOME-BASED REPAYMENT.—Section 493C(c)  
2 of the Higher Education Act of 1965 (20 U.S.C. 1098e(e))  
3 is amended—

4 (1) by striking “The Secretary shall establish”  
5 and inserting the following:

6 “(1) IN GENERAL.—The Secretary shall estab-  
7 lish”;

8 (2) by striking “The Secretary shall consider”  
9 and inserting the following:

10 “(2) PROCEDURES FOR ELIGIBILITY.—The Sec-  
11 retary shall—

12 “(A) consider”; and

13 (3) by striking “428C(b)(1)(E).” and inserting  
14 the following: “428C(b)(1)(E); and

15 “(B) beginning as soon as the Secretary  
16 determines practicable after the Secretary final-  
17 izes the procedures under section 405 of the  
18 Helping Individuals Get a Higher Education  
19 while Reducing Education Debt Act, but not  
20 later than 2 years after the date of enactment  
21 of such Act, carry out, with respect to bor-  
22 rowers of any covered loan (as defined in sec-  
23 tion 455(d)(9)), procedures for income-based  
24 repayment plans that are equivalent to the pro-  
25 cedures carried out under section 455(e)(8)

1           with respect to income-contingent repayment  
2           plans.”.

3 **SEC. 405. STUDY AND PROCEDURES ON DETERMINING FAM-**  
4                                   **ILY SIZE.**

5           (a) **IN GENERAL.**—Not later than 1 year after the  
6 date of enactment of this Act, the Secretary of Education  
7 shall—

8                   (1) jointly with the Secretary of the Treasury,  
9           conduct a study, which meets the specifications de-  
10          scribed in subsection (b), on the effect of using data  
11          from the Internal Revenue Service on the deduction  
12          for personal exemptions provided by section 151 of  
13          the Internal Revenue Code of 1986 for a proxy for  
14          family size in an income-driven repayment plan, and  
15          publish such study in the Federal Register;

16                   (2) use the results of the study conducted under  
17          paragraph (1) to develop procedures for determining  
18          family size for the automatic recertification of in-  
19          come for an income-driven repayment plan in a man-  
20          ner that minimizes burdens and unintended harm to  
21          borrowers;

22                   (3) publish the procedures developed under  
23          paragraph (2) in the Federal Register; and



1 (4) after a notice and comment period on such  
2 procedures, use such comments to finalize the proce-  
3 dures.

4 (b) SPECIFICATIONS.—The study conducted under  
5 subsection (a)(1) shall—

6 (1) determine how closely such personal exemp-  
7 tions match the family size that borrowers report on  
8 their income-driven repayment plan request form;

9 (2) compare the borrower’s actual monthly pay-  
10 ment amount with the monthly payment amount  
11 borrowers would have using family size information  
12 derived from tax returns; and

13 (3) use data from more than one year, where  
14 possible, to analyze how much family size changes  
15 over time.

16 (c) DEFINITION.—The term “income-driven repay-  
17 ment plan” has the meaning given the term in section  
18 455(d)(9) of the Higher Education Act of 1965, as  
19 amended by this Act.

20 **SEC. 406. DISCLOSURE OF TAX RETURN INFORMATION TO**  
21 **CARRY OUT CERTAIN HIGHER EDUCATION**  
22 **LOAN PROGRAMS.**

23 (a) IN GENERAL.—Paragraph (13) of section 6103(l)  
24 of the Internal Revenue Code of 1986 is amended to read  
25 as follows:

1           “(13) DISCLOSURE OF RETURNS AND RETURN  
2 INFORMATION FOR PURPOSES OF STUDENT LOAN  
3 ADMINISTRATION.—

4           “(A) IN GENERAL.—The Secretary, subject  
5 to such requirements and conditions as the Sec-  
6 retary may prescribe, shall upon written request  
7 from the Secretary of Education disclose to offi-  
8 cers and employees of the Department of Edu-  
9 cation returns and return information with re-  
10 spect to a taxpayer who has received an appli-  
11 cable student loan.

12           “(B) RESTRICTION ON USE OF DISCLOSED  
13 INFORMATION.—Return information disclosed  
14 under subparagraph (A) may be used by offi-  
15 cers and employees of the Department of Edu-  
16 cation only for the purposes of, and to the ex-  
17 tent necessary for purposes of—

18           “(i) establishing the appropriate in-  
19 come-contingent repayment amount in con-  
20 nection with an applicable student loan,

21           “(ii) establishing the appropriate re-  
22 payment amount under an applicable in-  
23 come-driven repayment plan (as defined in  
24 section 455(d)(9) of such Act (20 U.S.C.

1 1087e(d))) in connection with an applica-  
2 ble student loan for—

3 “(I) borrowers who have selected  
4 such a plan, and

5 “(II) in the case of any recertifi-  
6 cation under section 455(e)(8) or  
7 493C(c)(2)(B) of the Higher Edu-  
8 cation Act of 1965 (20 U.S.C.  
9 1087e(e); 1098e(c)), borrowers who  
10 are enrolled in such a plan, and

11 “(iii) in the case of borrowers who are  
12 at least 60 days delinquent on an applica-  
13 ble student loan—

14 “(I) providing notice of eligibility  
15 for an income-driven repayment plan  
16 (as so defined) pursuant to section  
17 455(d)(8)(B) of the Higher Education  
18 Act of 1965 (20 U.S.C. 1087e(d)),  
19 and

20 “(II) automatic enrollment in  
21 such an income-driven repayment plan  
22 after such borrowers are at least 120  
23 days delinquent on such a loan pursu-  
24 ant to section 455(d)(8)(C) of such  
25 Act (20 U.S.C. 1087e(d)).

1           “(C) DISCLOSURE TO CERTAIN CONTRAC-  
2           TORS.—Officers and employees of the Depart-  
3           ment of Education may disclose the information  
4           described in subparagraph (A) to persons  
5           awarded contracts by the Secretary of Edu-  
6           cation under section 456 of the Higher Edu-  
7           cation Act of 1965 (20 U.S.C. 1087f) to the ex-  
8           tent necessary for the purposes described in  
9           subparagraph (B).

10           “(D) SPOUSAL INFORMATION FOR MAR-  
11           RIED INDIVIDUALS FILING SEPARATE RE-  
12           TURNS.—For purposes of this paragraph, in the  
13           case of a married individual filing a separate re-  
14           turn, the term ‘taxpayer’ includes the spouse of  
15           that individual if the Secretary of Education re-  
16           quests information from the spouse of that indi-  
17           vidual and the individual and the spouse have  
18           consented in writing.

19           “(E) APPLICABLE STUDENT LOAN.—For  
20           purposes of this paragraph, the term ‘applicable  
21           student loan’ means—

22                   “(i) any loan which is made, insured,  
23                   or guaranteed under a program authorized  
24                   under part B or D of title IV of the High-

1 er Education Act of 1965 (20 U.S.C. 1071  
2 et seq.; 1087a et seq.), and

3 “(ii) any loan which is made under  
4 part E of such title IV (20 U.S.C. 1087aa  
5 et seq.) which is in default and has been  
6 assigned to the Department of Edu-  
7 cation.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 6103(a)(3) of such Code is amended  
10 by inserting “(13),” after “(12),”.

11 (2) Section 6103(p)(4) of such Code is amend-  
12 ed by inserting “(13),” after “(l)(10),” each place it  
13 occurs.

14 (c) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to disclosures made after the date  
16 of enactment of this Act.

○