108TH CONGRESS 1ST SESSION

S. 378

To recruit and retain more qualified individuals to teach in Tribal Colleges or Universities.

IN THE SENATE OF THE UNITED STATES

February 12, 2003

Mr. Daschle (for himself, Mr. Bingaman, Mr. Conrad, Mr. Baucus, Mr. Johnson, and Mr. Kohl) introduced the following bill; which was read twice and referred to the Committee on Indian Affairs

A BILL

To recruit and retain more qualified individuals to teach in Tribal Colleges or Universities.

- 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. LOAN REPAYMENT OR CANCELLATION FOR IN-
- 4 DIVIDUALS WHO TEACH IN TRIBAL COL-
- 5 LEGES OR UNIVERSITIES.
- 6 (a) Short Title.—This Act may be cited as the
- 7 "Tribal Colleges and Universities Teacher Loan Forgive-
- 8 ness Act".
- 9 (b) Perkins Loans.—

1	(1) Amendment.—Section 465(a) of the High-
2	er Education Act of 1965 (20 U.S.C. 1087ee(a)) is
3	amended—
4	(A) in paragraph (2)—
5	(i) in subparagraph (H), by striking
6	"or" after the semicolon;
7	(ii) in subparagraph (I), by striking
8	the period and inserting "; or"; and
9	(iii) by adding at the end the fol-
10	lowing:
11	"(J) as a full-time teacher at a Tribal College
12	or University as defined in section 316(b)."; and
13	(B) in paragraph (3)(A)(i), by striking "or
14	(I)" and inserting "(I), or (J)".
15	(2) Effective date.—The amendments made
16	by paragraph (1) shall be effective for service per-
17	formed during academic year 1998–1999 and suc-
18	ceeding academic years, notwithstanding any con-
19	trary provision of the promissory note under which
20	a loan under part E of title IV of the Higher Edu-
21	cation Act of 1965 (20 U.S.C. 1087aa et seq.) was
22	made.
23	(c) FFEL AND DIRECT LOANS.—Part G of title IV
24	of the Higher Education Act of 1965 (20 U.S.C. 1088
25	et seq.) is amended by adding at the end the following:

1	"SEC. 493C. LOAN REPAYMENT OR CANCELLATION FOR IN-
2	DIVIDUALS WHO TEACH IN TRIBAL COL-
3	LEGES OR UNIVERSITIES.
4	"(a) Program Authorized.—The Secretary shall
5	carry out a program, through the holder of a loan, of as-
6	suming or canceling the obligation to repay a qualified
7	loan amount, in accordance with subsection (b), for any
8	new borrower on or after the date of enactment of the
9	Tribal Colleges and Universities Teacher Loan Forgive-
10	ness Act, who—
11	"(1) has been employed as a full-time teacher
12	at a Tribal College or University as defined in sec-
13	tion 316(b); and
14	"(2) is not in default on a loan for which the
15	borrower seeks repayment or cancellation.
16	"(b) Qualified Loan Amounts.—
17	"(1) Percentages.—Subject to paragraph (2),
18	the Secretary shall assume or cancel the obligation
19	to repay under this section—
20	"(A) 15 percent of the amount of all loans
21	made, insured, or guaranteed after the date of
22	enactment of the Tribal Colleges and Univer-
23	sities Teacher Loan Forgiveness Act to a stu-
24	dent under part B or D, for the first or second
25	year of employment described in subsection
26	(a)(1):

1	"(B) 20 percent of such total amount, for
2	the third or fourth year of such employment;
3	and
4	"(C) 30 percent of such total amount, for
5	the fifth year of such employment.
6	"(2) Maximum.—The Secretary shall not repay
7	or cancel under this section more than \$15,000 in
8	the aggregate of loans made, insured, or guaranteed
9	under parts B and D for any student.
10	"(3) Treatment of consolidation loans.—
11	A loan amount for a loan made under section 428C
12	may be a qualified loan amount for the purposes of
13	this subsection only to the extent that such loan
14	amount was used to repay a loan made, insured, or
15	guaranteed under part B or D for a borrower who
16	meets the requirements of subsection (a), as deter-
17	mined in accordance with regulations prescribed by
18	the Secretary.
19	"(c) Regulations.—The Secretary is authorized to
20	issue such regulations as may be necessary to carry out
21	the provisions of this section.
22	"(d) Construction.—Nothing in this section shall
23	be construed to authorize any refunding of any repayment
24	of a loan.

- 1 "(e) Prevention of Double Benefits.—No bor-
- 2 rower may, for the same service, receive a benefit under
- 3 both this section and subtitle D of title I of the National
- 4 and Community Service Act of 1990 (42 U.S.C. 12571
- 5 et seq.).
- 6 "(f) Definition.—For purposes of this section, the
- 7 term 'year', when applied to employment as a teacher,
- 8 means an academic year as defined by the Secretary.".
- 9 SEC. 2. AMOUNTS FORGIVEN NOT TREATED AS GROSS IN-
- 10 **COME**.
- The amount of any loan that is assumed or canceled
- 12 under an amendment made by this Act shall not, con-
- 13 sistent with section 108(f) of the Internal Revenue Code
- 14 of 1986, be treated as gross income for Federal income
- 15 tax purposes.

 \bigcirc