

109TH CONGRESS
1ST SESSION

H. R. 1522

To amend the Higher Education Act of 1965 to expand the loan forgiveness and loan cancellation programs for teachers, to provide loan forgiveness and loan cancellation programs for nurses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 2005

Mrs. MCCARTHY (for herself, Mr. HINCHEY, Mr. OWENS, Mr. CHANDLER, Mr. PAYNE, Mr. CLYBURN, Mr. GARRETT of New Jersey, and Mr. GRIJALVA) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Higher Education Act of 1965 to expand the loan forgiveness and loan cancellation programs for teachers, to provide loan forgiveness and loan cancellation programs for nurses, 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.**

4 This Act may be cited as the “Teacher and Nurse
5 Support Act of 2005”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress finds the following:

1 (1) According to the National Center for Edu-
2 cation Statistics, over the next 10 years, the United
3 States will need more than 2,000,000 new teachers
4 to replace the teachers who are retiring or leaving
5 the classroom for other careers.

6 (2) The Hart-Rudman National Security Re-
7 port on education recommended that the President
8 direct the Department of Education to work with
9 the States to devise a comprehensive plan to avert
10 a looming shortage of high-quality teachers.

11 (3) According to the National Center for Edu-
12 cation Statistics, 20 percent of all new teachers leave
13 the teaching profession within 3 years. Providing
14 loan forgiveness or loan cancellation is one step that
15 would help retain high-quality teachers in schools
16 that need teachers.

17 (4) The American Hospital Association has re-
18 ported more than 126,000 unfilled registered nurse
19 positions in hospitals in the United States. Addition-
20 ally, the vacancy rate for registered nurse positions
21 at nursing homes throughout the Nation is ap-
22 proaching 20 percent.

23 (5) College loans are more of a burden than
24 ever for students and families. According to a recent
25 United States Public Interest Research Group re-

1 port, average student loan debt almost doubled from
2 \$9,200 in 1992–1993 to \$16,928 in 1999–2000.

3 (b) PURPOSE.—The purpose of this Act is to improve
4 access to, and the delivery of, high-quality educational and
5 health services throughout the United States by reducing
6 the shortage of qualified teachers and nurses.

7 **SEC. 3. LOAN FORGIVENESS AND CANCELLATION.**

8 (a) LOAN FORGIVENESS.—Section 428J of the High-
9 er Education Act of 1965 (20 U.S.C. 1078–10) is amend-
10 ed to read as follows:

11 **“SEC. 428J. LOAN FORGIVENESS FOR TEACHERS AND**
12 **NURSES.**

13 “(a) STATEMENT OF PURPOSE.—It is the purpose of
14 this section to encourage individuals to enter and continue
15 in the teaching and nursing professions.

16 “(b) PROGRAM AUTHORIZED.—The Secretary shall
17 carry out a program, through the holder of the loan, of
18 assuming the obligation to repay a qualified loan amount
19 for a loan made under section 428 or 428H, in accordance
20 with subsection (c), for any borrower who has 1 or more
21 loans made under section 428 or 428H after October 1,
22 1998, and who—

23 “(1) has been employed—

24 “(A) as a full-time teacher—

1 “(i) in a school that qualifies under
2 section 465(a)(2)(A) for loan cancellation
3 for Perkins loan recipients who teach in
4 those schools;

5 “(ii) if employed as a secondary school
6 teacher, is teaching a subject area that is
7 relevant to the borrower’s academic major
8 as certified by the chief administrative offi-
9 cer of the public or nonprofit private sec-
10 ondary school in which the borrower is em-
11 ployed; and

12 “(iii) if employed as an elementary
13 school teacher, has demonstrated, as cer-
14 tified by the chief administrative officer of
15 the public or nonprofit private elementary
16 school in which the borrower is employed,
17 knowledge and teaching skills in reading,
18 writing, mathematics, and other areas of
19 the elementary school curriculum; or

20 “(B) as a full-time eligible nurse—

21 “(i) in a clinical setting; or

22 “(ii) as a member of the nursing fac-
23 ulty at an accredited school of nursing (as
24 those terms are defined in section 801 of

1 the Public Health Service Act (42 U.S.C.
2 296)); and

3 “(2) is not in default on a loan for which the
4 borrower seeks forgiveness.

5 “(c) QUALIFIED LOAN AMOUNT.—

6 “(1) IN GENERAL.—

7 “(A) AGGREGATE AMOUNT.—The Sec-
8 retary shall, in installments in accordance with
9 subparagraph (B), repay not more than
10 \$17,500 in the aggregate of the loan obligation
11 on a loan made under section 428 or 428H that
12 is outstanding after the completion of each
13 complete—

14 “(i) school year of teaching described
15 in subsection (b)(1)(A); or

16 “(ii) year of nursing described in sub-
17 section (b)(1)(B).

18 “(B) ANNUAL INSTALLMENTS.—The Sec-
19 retary shall repay the loan obligation on such a
20 loan in annual installments after each of 5
21 years of such service not to exceed the lesser of
22 the remaining outstanding obligation or—

23 “(i) \$2,000 at the completion of the
24 first year of such service;

1 “(ii) \$2,500 at the completion of the
2 second year of such service;

3 “(iii) \$3,500 at the completion of the
4 third year of such service;

5 “(iv) \$4,500 at the completion of the
6 fourth year of such service; and

7 “(v) \$5,000 at the completion of the
8 fifth year of such service.

9 “(C) RELATION TO LOAN CANCELLA-
10 TION.—No borrower may receive a reduction of
11 loan obligations under both this section and sec-
12 tion 460.

13 “(2) TREATMENT OF CONSOLIDATION LOANS.—
14 A loan amount for a loan made under section 428C
15 may be a qualified loan amount for the purposes of
16 this subsection only to the extent that the loan
17 amount was used to repay a Federal Direct Stafford
18 Loan, a Federal Direct Unsubsidized Stafford Loan,
19 or a loan made under section 428 or 428H for a
20 borrower who meets the requirements of subsection
21 (b), as determined in accordance with regulations
22 prescribed by the Secretary.

23 “(3) FORBEARANCE ON QUALIFIED LOAN
24 AMOUNT.—A holder of a loan on which a borrower
25 is seeking forgiveness under this section—

1 “(A) shall grant forbearance, at the re-
2 quest of the borrower, in annual increments for
3 each of the years of qualifying service if the
4 holder believes, at the time of the borrower’s
5 annual request, that the amount expected to be
6 forgiven under this section at the completion of
7 the period of qualifying service will satisfy the
8 anticipated remaining outstanding balance on
9 the loan; and

10 “(B) may offer other forbearance options
11 to the borrower.

12 “(d) REGULATIONS.—The Secretary is authorized to
13 issue such regulations as may be necessary to carry out
14 the provisions of this section.

15 “(e) CONSTRUCTION.—Nothing in this section shall
16 be construed to authorize any refunding of any repayment
17 of a loan.

18 “(f) LIST OF SCHOOLS.—If the list of schools in
19 which a teacher may perform service pursuant to sub-
20 section (b)(1)(A) is not available before May 1 of any year,
21 the Secretary may use the list for the year preceding the
22 year for which the determination is made to make the
23 service determination.

24 “(g) ADDITIONAL ELIGIBILITY PROVISIONS.—

1 “(1) CONTINUED ELIGIBILITY FOR TEACH-
2 ERS.—Any teacher who performs service in a school
3 that—

4 “(A) meets the requirements of subsection
5 (b)(1)(A)(i) in any year during such service;
6 and

7 “(B) in a subsequent year fails to meet the
8 requirements of that subsection,
9 may continue to teach in the school and shall be eli-
10 gible for loan forgiveness pursuant to subsection (b).

11 “(2) PREVENTION OF DOUBLE BENEFITS.—No
12 borrower may, for the same service, receive a benefit
13 under both this subsection and—

14 “(A) subtitle D of title I of the National
15 and Community Service Act of 1990 (42 U.S.C.
16 12571 et seq.); and

17 “(B) section 846 of the Public Health
18 Service Act (42 U.S.C. 297n).

19 “(h) DEFINITIONS.—In this section:

20 “(1) ELIGIBLE NURSE.—The term ‘eligible
21 nurse’ means a nurse who meets all of the following:

22 “(A) The nurse graduated from—

23 “(i) an accredited school of nursing
24 (as those terms are defined in section 801

1 of the Public Health Service Act (42
2 U.S.C. 296));

3 “(ii) a nursing center; or

4 “(iii) an academic health center that
5 provides nurse training.

6 “(B) The nurse holds a valid and unre-
7 stricted license to practice nursing in the State
8 in which the nurse practices in a clinical set-
9 ting.

10 “(C) The nurse holds 1 or more of the fol-
11 lowing:

12 “(i) A graduate degree in nursing or
13 equivalent degree.

14 “(ii) A nursing degree from a colle-
15 giate school of nursing (as defined in sec-
16 tion 801 of the Public Health Service Act
17 (42 U.S.C. 296)).

18 “(iii) A nursing degree from an asso-
19 ciate degree school of nursing (as defined
20 in section 801 of the Public Health Service
21 Act (42 U.S.C. 296)).

22 “(iv) A nursing degree from a diploma
23 school of nursing (as defined in section
24 801 of the Public Health Service Act (42
25 U.S.C. 296)).

1 “(2) YEAR.—The term ‘year’, where applied to
2 service as a teacher (or service as a member of an
3 accredited school of nursing (as those terms are de-
4 fined in section 801 of the Public Health Service Act
5 (42 U.S.C. 296))), means an academic year as de-
6 fined by the Secretary.”.

7 (b) LOAN CANCELLATION.—Section 460 of the High-
8 er Education Act of 1965 (20 U.S.C. 1087j) is amended
9 to read as follows:

10 **“SEC. 460. LOAN CANCELLATION FOR TEACHERS AND**
11 **NURSES.**

12 “(a) STATEMENT OF PURPOSE.—It is the purpose of
13 this section to encourage individuals to enter and continue
14 in the teaching and nursing professions.

15 “(b) PROGRAM AUTHORIZED.—

16 “(1) IN GENERAL.—The Secretary shall carry
17 out a program of canceling the obligation to repay
18 a qualified loan amount in accordance with sub-
19 section (c) for Federal Direct Stafford Loans and
20 Federal Direct Unsubsidized Stafford Loans made
21 under this part for any borrower who has 1 or more
22 loans made under this part after October 1, 1998,
23 and who has been employed—

24 “(A) as a full-time teacher—

1 “(i) in a school that qualifies under
2 section 465(a)(2)(A) for loan cancellation
3 for Perkins loan recipients who teach in
4 those schools;

5 “(ii) if employed as a secondary school
6 teacher, is teaching a subject area that is
7 relevant to the borrower’s academic major
8 as certified by the chief administrative offi-
9 cer of the public or nonprofit private sec-
10 ondary school in which the borrower is em-
11 ployed; and

12 “(iii) if employed as an elementary
13 school teacher, has demonstrated, as cer-
14 tified by the chief administrative officer of
15 the public or nonprofit private elementary
16 school in which the borrower is employed,
17 knowledge and teaching skills in reading,
18 writing, mathematics, and other areas of
19 the elementary school curriculum; or

20 “(B) as a full-time eligible nurse—

21 “(i) in a clinical setting; or

22 “(ii) as a member of the nursing fac-
23 ulty at an accredited school of nursing (as
24 those terms are defined in section 801 of

1 the Public Health Service Act (42 U.S.C.
2 296)); and

3 “(2) is not in default on a loan for which the
4 borrower seeks forgiveness.

5 “(c) QUALIFIED LOAN AMOUNTS.—

6 “(1) IN GENERAL.—

7 “(A) AGGREGATE AMOUNT.—The Sec-
8 retary shall, in installments in accordance with
9 subparagraph (B), cancel not more than
10 \$17,500 in the aggregate of the loan obligation
11 on a Federal Direct Stafford Loan or a Federal
12 Direct Unsubsidized Stafford Loan that is out-
13 standing after the completion of each com-
14 plete—

15 “(i) school year of teaching described
16 in subsection (b)(1)(A); or

17 “(ii) year of nursing described in sub-
18 section (b)(1)(B).

19 “(B) ANNUAL INSTALLMENTS.—The Sec-
20 retary shall repay the loan obligation on such a
21 loan in annual installments after each of 5
22 years of such service not to exceed the lesser of
23 the remaining outstanding obligation or—

24 “(i) \$2,000 at the completion of the
25 first year of such service;

1 “(ii) \$2,500 at the completion of the
2 second year of such service;

3 “(iii) \$3,500 at the completion of the
4 third year of such service;

5 “(iv) \$4,500 at the completion of the
6 fourth year of such service; and

7 “(v) \$5,000 at the completion of the
8 fifth year of such service.

9 “(C) RELATION TO LOAN REPAYMENT.—

10 No borrower may receive a reduction of loan
11 obligations under both this section and section
12 428J.

13 “(2) TREATMENT OF CONSOLIDATION LOANS.—

14 A loan amount for a Federal Direct Consolidation
15 Loan may be a qualified loan amount for the pur-
16 poses of this subsection only to the extent that the
17 loan amount was used to repay a Federal Direct
18 Stafford Loan, a Federal Direct Unsubsidized Staf-
19 ford Loan, or a loan made under section 428 or
20 428H, for a borrower who meets the requirements of
21 subsection (b), as determined in accordance with
22 regulations prescribed by the Secretary.

23 “(3) FORBEARANCE ON QUALIFIED LOAN
24 AMOUNT.—A holder of a loan on which a borrower
25 is seeking cancellation under this section—

1 “(A) shall grant forbearance, at the re-
2 quest of the borrower, in annual increments for
3 each of the years of qualifying service if the
4 holder believes, at the time of the borrower’s
5 annual request, that the amount expected to be
6 canceled under this section at the completion of
7 the period of qualifying service will satisfy the
8 anticipated remaining outstanding balance on
9 the loan; and

10 “(B) may offer other forbearance options
11 to the borrower.

12 “(d) REGULATIONS.—The Secretary is authorized to
13 issue such regulations as may be necessary to carry out
14 the provisions of this section.

15 “(e) CONSTRUCTION.—Nothing in this section shall
16 be construed to authorize any refunding of any canceled
17 loan.

18 “(f) LIST OF SCHOOLS.—If the list of schools in
19 which a teacher may perform service pursuant to sub-
20 section (b)(1)(A) is not available before May 1 of any year,
21 the Secretary may use the list for the year preceding the
22 year for which the determination is made to make such
23 service determination.

24 “(g) ADDITIONAL ELIGIBILITY PROVISIONS.—

1 “(1) CONTINUED ELIGIBILITY FOR TEACH-
2 ERS.—Any teacher who performs service in a school
3 that—

4 “(A) meets the requirements of subsection
5 (b)(1)(A)(i) in any year during such service;
6 and

7 “(B) in a subsequent year fails to meet the
8 requirements of that subsection,
9 may continue to teach in the school and shall be eli-
10 gible for loan cancellation pursuant to subsection
11 (b).

12 “(2) PREVENTION OF DOUBLE BENEFITS.—No
13 borrower may, for the same service, receive a benefit
14 under both this section and—

15 “(A) subtitle D of title I of the National
16 and Community Service Act of 1990 (42 U.S.C.
17 12571 et seq.); and

18 “(B) section 846 of the Public Health
19 Service Act (42 U.S.C. 297n).

20 “(h) DEFINITIONS.—In this section:

21 “(1) ELIGIBLE NURSE.—The term ‘eligible
22 nurse’ means a nurse who meets all of the following:

23 “(A) The nurse graduated from—

24 “(i) an accredited school of nursing
25 (as those terms are defined in section 801

1 of the Public Health Service Act (42
2 U.S.C. 296));

3 “(ii) a nursing center; or

4 “(iii) an academic health center that
5 provides nurse training .

6 “(B) The nurse holds a valid and unre-
7 stricted license to practice nursing in the State
8 in which the nurse practices in a clinical set-
9 ting.

10 “(C) The nurse holds 1 or more of the fol-
11 lowing:

12 “(i) A graduate degree in nursing or
13 equivalent degree.

14 “(ii) A nursing degree from a colle-
15 giate school of nursing (as defined in sec-
16 tion 801 of the Public Health Service Act
17 (42 U.S.C. 296)).

18 “(iii) A nursing degree from an asso-
19 ciate degree school of nursing (as defined
20 in section 801 of the Public Health Service
21 Act (42 U.S.C. 296)).

22 “(iv) A nursing degree from a diploma
23 school of nursing (as defined in section
24 801 of the Public Health Service Act (42
25 U.S.C. 296)).

1 “(2) YEAR.—The term ‘year’, where applied to
2 service as a teacher (or service as a member of an
3 accredited school of nursing (as those terms are de-
4 fined in section 801 of the Public Health Service Act
5 (42 U.S.C. 296))), means an academic year as de-
6 fined by the Secretary.”.

7 **SEC. 4. PHASE OUT OF CURRENT PROGRAM.**

8 An individual who began the required period of teach-
9 ing described in section 428J(b)(1) or 460(b)(1)(A) of the
10 Higher Education Act of 1965 (20 U.S.C. 1078–10 and
11 1087j) as such sections were in effect on the day before
12 the date of enactment of this Act, shall—

13 (1) be eligible to receive loan forgiveness or loan
14 cancellation in the amount described in, and in ac-
15 cordance with the requirements of, such sections as
16 in effect on the day before the date of enactment of
17 this Act; and

18 (2) not be eligible to receive loan forgiveness or
19 loan cancellation under section 428J or 460 of the
20 Higher Education Act of 1965 as in effect on the
21 date of enactment of this Act.

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