

110TH CONGRESS  
1ST SESSION

# H. R. 3748

To amend the Federal Direct Loan Program to provide that interest shall not accrue on Federal Direct Loans for active duty service members.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 4, 2007

Mrs. DAVIS of California (for herself, Mr. DAVIS of Illinois, and Ms. HIRONO) introduced the following bill; which was referred to the Committee on Education and Labor

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## A BILL

To amend the Federal Direct Loan Program to provide that interest shall not accrue on Federal Direct Loans for active duty service members.

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 “Servicemember Stu-  
5 dent Loan Interest Relief Act”.

1 **SEC. 2. NO ACCRUAL OF INTEREST FOR ACTIVE DUTY**  
2 **SERVICE MEMBERS.**

3 Section 455 of the Higher Education Act of 1965 (20  
4 U.S.C. 1087e) is amended by adding at the end the fol-  
5 lowing:

6 “(n) NO ACCRUAL OF INTEREST FOR ACTIVE DUTY  
7 SERVICE MEMBERS.—

8 “(1) IN GENERAL.—Notwithstanding any other  
9 provision of this part, and except as provided in  
10 paragraph (3), interest on a loan made under this  
11 part shall not accrue for an eligible borrower.

12 “(2) ELIGIBLE BORROWER.—In this subsection,  
13 the term ‘eligible borrower’ means an individual who  
14 is—

15 “(A) serving on active duty during a war  
16 or other military operation or national emer-  
17 gency; or—

18 “(B) performing qualifying National  
19 Guard duty during a war or other military op-  
20 eration or national emergency.

21 “(3) LIMITATION.—An individual who qualifies  
22 as an eligible borrower under this subsection may re-  
23 ceive the benefit of this subsection for not more than  
24 60 months.”.

**1 SEC. 3. CONSOLIDATION LOANS.**

2       Section 428C(b)(5) of the Higher Education Act of  
3 1965 (20 U.S.C. 1078–3(b)(5)) is amended by inserting  
4 after the first sentence the following: “In addition, in the  
5 event that a borrower chooses to obtain a consolidation  
6 loan for the purposes of using the no accrual of interest  
7 for active duty service members program offered under  
8 section 455(n), the Secretary shall offer any such bor-  
9 rower who applies for it, a Federal Direct Consolidation  
10 loan.”.

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