

111TH CONGRESS  
2D SESSION

# S. 3281

To expand student loan forgiveness, to provide loan repayment assistance,  
and for other purposes.

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IN THE SENATE OF THE UNITED STATES

APRIL 29, 2010

Mr. SPECTER introduced the following bill; which was read twice and referred  
to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To expand student loan forgiveness, to provide loan  
repayment assistance, 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 “Student Loan Forgiveness and Repayment Assistance  
6 Act of 2010”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.

TITLE I—INCOME-BASED REPAYMENT PLAN

Sec. 101. Income-based repayment plan.

TITLE II—PUBLIC SERVICE LOAN FORGIVENESS PROGRAM

Sec. 201. Public service loan forgiveness program.

TITLE III—LOWERING OF INTEREST RATES FOR HEALTH PROFESSIONS

Sec. 301. Lowering of interest rates for health professions.

TITLE IV—ENHANCING OPPORTUNITIES FOR MINORITIES

Sec. 401. Enhancing opportunities for minorities.

TITLE V—ASSISTANT SECRETARY FOR THE EVALUATION AND PROMOTION OF ACCESSIBILITY AND AFFORDABILITY IN HIGHER EDUCATION

Sec. 501. Assistant Secretary for the evaluation and promotion of accessibility and affordability in higher education.

1 **SEC. 2. FINDINGS.**

2 Congress finds that, according to information com-  
3 piled by Campus Progress—

4 (1) total Federal student debt in the United  
5 States, as of 2008, is more than \$617,000,000,000,  
6 according to the Department of Education;

7 (2) in 2008, the Advisory Committee on Stu-  
8 dent Financial Assistance estimated that between  
9 1,700,000 to 3,200,000 baccalaureate degrees will  
10 be lost this decade among academically qualified stu-  
11 dents because of financial barriers;

12 (3) the average student today graduates college  
13 with student debt 25 percent higher than that of col-  
14 lege graduates a decade ago, and enters the job mar-  
15 ket where the average job pays college graduates less  
16 than the job would have in 2000;

1           (4) the average college senior graduated with  
2           \$4,100 in credit card debt in 2008, according to a  
3           study by Sallie Mae, Inc., and \$23,200 in student  
4           loans, according to the Institute for College Access  
5           and Success;

6           (5) according to the Institute for College Access  
7           and Success, almost 7 in 10 college graduates are  
8           burdened with educational debt;

9           (6) according to a 2006 report by the United  
10          States Public Interest Research Group, student debt  
11          is outpacing the starting salaries of jobs in teaching  
12          and social work, making it virtually impossible for  
13          many debt-laden college graduates to pursue careers  
14          in fields where they are desperately needed;

15          (7) according to the same report, nearly  $\frac{1}{4}$  of  
16          all graduates from public colleges, and almost 4 in  
17          10 graduates from private colleges, have levels of  
18          student debt that would become unmanageable on  
19          the average salary of a starting teacher;

20          (8) a 2002 report by the Nellie Mae Corpora-  
21          tion found that students delay major life decisions as  
22          a result of increased student debt—38 percent of  
23          college graduates delay buying their first house be-  
24          cause of debt, 14 percent delay marriage, and 21  
25          percent delay having children;

1           (9) according to a 2006 report by the Edu-  
 2           cation Trust, the highest achieving low-income high  
 3           school graduates go to college at nearly the same  
 4           rate as the lowest achieving students from wealthy  
 5           families; and

6           (10) more than 60 percent of African-Amer-  
 7           ican, Hispanic, Native American, and Asian students  
 8           face a gap between their expected family contribu-  
 9           tion, grants, and nonprivate loans and the cost of  
 10          their education, according to the 2007–2008 Na-  
 11          tional Postsecondary Student Aid Study.

## 12                   **TITLE I—INCOME-BASED** 13                   **REPAYMENT PLAN**

### 14   **SEC. 101. INCOME-BASED REPAYMENT PLAN.**

15          Section 493C(e) of the Higher Education Act of 1965  
 16   (20 U.S.C. 1098e(e)) is amended—

17           (1) in paragraph (1), by striking “10 percent”  
 18          and inserting “7 percent”; and

19           (2) in paragraph (2), by striking “20 years”  
 20          and inserting “15 years”.

## 21                   **TITLE II—PUBLIC SERVICE** 22                   **LOAN FORGIVENESS PROGRAM**

### 23   **SEC. 201. PUBLIC SERVICE LOAN FORGIVENESS PROGRAM.**

24          Section 455(m) of the Higher Education Act of 1965  
 25   (20 U.S.C. 1087e(m)) is amended—

1 (1) in paragraph (1)—

2 (A) in subparagraph (A), by striking  
3 “120”; and

4 (B) in subparagraph (B)(ii), by striking  
5 “120”; and

6 (2) by striking paragraph (2) and inserting the  
7 following:

8 “(2) LOAN CANCELLATION AMOUNT.—

9 “(A) IN GENERAL.—In the case of a bor-  
10 rower described in paragraph (1) who has made  
11 monthly payments as described in paragraph  
12 (1), the Secretary shall cancel the obligation to  
13 repay 5 percent of the balance of principal and  
14 interest due as of the time of such cancellation,  
15 on the eligible Federal Direct Loans made to  
16 the borrower under this part after the borrower  
17 has made each of the following number of  
18 monthly payments:

19 “(i) After 60 monthly payments.

20 “(ii) After 72 monthly payments.

21 “(iii) After 84 monthly payments.

22 “(iv) After 96 monthly payments.

23 “(v) After 108 monthly payments.

24 “(B) REMAINING BALANCE CANCELLED.—

25 In the case of a borrower described in para-

1 graph (1) who has made 120 monthly payments  
 2 as described in paragraph (1), the Secretary  
 3 shall cancel the obligation to repay the balance  
 4 of principal and interest due as of the time of  
 5 such cancellation, on the eligible Federal Direct  
 6 Loans made to the borrower under this part.”.

7 **TITLE III—LOWERING OF INTER-**  
 8 **EST RATES FOR HEALTH PRO-**  
 9 **FESSIONS**

10 **SEC. 301. LOWERING OF INTEREST RATES FOR HEALTH**  
 11 **PROFESSIONS.**

12 (a) HEALTH PROFESSIONS STUDENT LOANS.—

13 (1) IN GENERAL.—Section 705(b) of the Public  
 14 Health Service Act (42 U.S.C. 292d(b)) is amended  
 15 by striking “the average of” and all that follows and  
 16 inserting “3.5 percent.”.

17 (2) PHYSICIAN ASSISTANTS.—Section 719(1) of  
 18 the Public Health Service Act (42 U.S.C. 292o(1))  
 19 is amended by inserting before the period the fol-  
 20 lowing: “, or an entity providing programs for the  
 21 training of physician assistants”.

22 (b) PRIMARY CARE LOANS.—Section 722(e) of the  
 23 Public Health Service Act (42 U.S.C. 292r(e)) is amended  
 24 by striking “5 percent” and inserting “3.5 percent”.

1 (c) NURSING LOAN PROGRAM.—Section 836(b)(5) of  
2 the Public Health Service Act (42 U.S.C. 297b(b)(5)) is  
3 amended by striking “5 percent” and inserting “3.5 per-  
4 cent”.

## 5 **TITLE IV—ENHANCING OPPOR-** 6 **TUNITIES FOR MINORITIES**

### 7 **SEC. 401. ENHANCING OPPORTUNITIES FOR MINORITIES.**

8 (a) PROGRAM AUTHORIZED.—From amounts appro-  
9 priated under this section, the Secretary of Education  
10 shall carry out a pilot program of awarding grants, on a  
11 competitive basis, to eligible institutions to enable the eli-  
12 gible institutions to enhance opportunities for students at-  
13 tending such institutions.

14 (b) ELIGIBLE INSTITUTIONS.—In this section, the  
15 term “eligible institution” has the meaning given the term  
16 in section 371(a) of the Higher Education Act of 1965  
17 (20 U.S.C. 1067q(a)).

18 (c) APPLICATIONS.—

19 (1) IN GENERAL.—An eligible institution desir-  
20 ing a grant under this section shall submit an appli-  
21 cation to the Secretary of Education at such time,  
22 in such manner, and containing such information as  
23 the Secretary may require.

24 (2) CONTENTS.—The application described in  
25 paragraph (1) shall include an outline of the eligible

1 institution's plan for the grant that takes into con-  
2 sideration—

3 (A) increasing the eligible institution's edu-  
4 cational program capacity for degree-granting,  
5 certificate-granting, adult education, and non-  
6 credit programs;

7 (B) increasing the eligible institution's stu-  
8 dent graduation rates; and

9 (C) how to achieve the purposes of the  
10 grant without increasing the costs to students  
11 attending the eligible institution.

12 (d) AUTHORIZATION OF APPROPRIATIONS.—There is  
13 authorized to be appropriated to carry out this section  
14 \$100,000,000 for each of the fiscal years 2011 through  
15 2015.



1 **TITLE V—ASSISTANT SEC-**  
 2 **RETARY FOR THE EVALUA-**  
 3 **TION AND PROMOTION OF AC-**  
 4 **CESSIBILITY AND AFFORD-**  
 5 **ABILITY IN HIGHER EDU-**  
 6 **CATION**

7 **SEC. 501. ASSISTANT SECRETARY FOR THE EVALUATION**  
 8 **AND PROMOTION OF ACCESSIBILITY AND AF-**  
 9 **FORDABILITY IN HIGHER EDUCATION.**

10 Section 202 of the Department of Education Organi-  
 11 zation Act (20 U.S.C. 3412) is amended by adding at the  
 12 end the following:

13 “(j) ASSISTANT SECRETARY FOR THE EVALUATION  
 14 AND PROMOTION OF ACCESSIBILITY AND AFFORDABILITY  
 15 IN HIGHER EDUCATION.—There shall be in the Depart-  
 16 ment an Assistant Secretary for the Evaluation and Pro-  
 17 motion of Accessibility and Affordability in Higher Edu-  
 18 cation, who shall be appointed by the President, by and  
 19 with the advice and consent of the Senate. The Assistant  
 20 Secretary shall—

21 “(1) evaluate periodically what has been done  
 22 thus far and what further actions should still be  
 23 taken, to increase—

24 “(A) accessibility to higher education;

1           “(B) higher education opportunities for  
2           underserved minorities;

3           “(C) capacity to educate more medical per-  
4           sonnel; and

5           “(D) debt forgiveness to encourage grad-  
6           uates of institutions of higher education to pur-  
7           sue public service;

8           “(2) evaluate periodically the impact of the  
9           Healthcare and Education Reconciliation Act of  
10          2010 (Public Law 111–152) in order to determine  
11          the effectiveness of the educational grants and finan-  
12          cial assistance programs modified by such Act;

13          “(3) promote higher education, including higher  
14          education accessibility, affordability, and completion  
15          options, to prospective and current students of insti-  
16          tutions of higher education; and

17          “(4) not later than 30 days after the end of  
18          each quarter of a fiscal year, submit to the appro-  
19          priate committees of Congress a report that—

20                 “(A) describes current trends regarding  
21                 the accessibility and affordability of higher edu-  
22                 cation in the United States, including the im-  
23                 pact of the educational grants and financial as-  
24                 sistance programs established under or modified

1 by the Student Loan Forgiveness and Repay-  
2 ment Assistance Act of 2010; and

3 “(B) includes the Assistant Secretary’s  
4 recommendations to Congress regarding how to  
5 increase the accessibility and affordability of  
6 higher education.”.

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