

113TH CONGRESS
1ST SESSION

H. R. 2349

To restore and extend the grace period of Federal Direct Stafford Loans
and Federal Direct Unsubsidized Stafford Loans.

IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 2013

Mrs. NEGRETE MCLEOD (for herself and Ms. HAHN) introduced the following
bill; which was referred to the Committee on Education and the Workforce

A BILL

To restore and extend the grace period of Federal Direct
Stafford Loans and Federal Direct Unsubsidized Staff-
ford Loans.

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 “Get Relief from Aca-
5 demic Debt Act of 2013” or the “GRAD Act of 2013”.

6 **SEC. 2. RESTORATION AND EXTENSION OF THE START OF**
7 **THE REPAYMENT PERIOD OF CERTAIN FED-**
8 **ERAL DIRECT LOANS.**

9 (a) RESTORATION OF INTEREST SUBSIDY DURING
10 FIRST 6-MONTH GRACE PERIOD.—Section

1 428(a)(3)(A)(i)(I) of the Higher Education Act of 1965
2 (20 U.S.C. 1078(a)(3)(A)(i)(I)) is amended by inserting
3 “or, for a Federal Direct Stafford Loan for which the first
4 disbursement is made on or after July 1, 2013, which ac-
5 crues prior to the beginning of the repayment period of
6 the loan (except for interest which accrues during the last
7 6-months prior to the beginning of such period, in the case
8 of a student who makes an election under section 3(b)(2)
9 of the Get Relief from Academic Debt Act of 2013),” be-
10 fore “, or”.

11 (b) GRACE-PERIOD EXTENSION.—

12 (1) AMENDMENT.—Section 428(b)(7) of the
13 Higher Education Act of 1965 (20 U.S.C.
14 1078(b)(7)) is amended—

15 (A) in subparagraph (A), by inserting “or,
16 in the case of a student who makes an election
17 under section 3(b)(2) of the Get Relief from
18 Academic Debt Act of 2013, 12 months” after
19 “6 months”; and

20 (B) in subparagraph (D), by inserting “or,
21 in the case of a student who makes an election
22 under section 3(b)(2) of the Get Relief from
23 Academic Debt Act of 2013, the 12-month pe-
24 riod” after “6-month period”.

1 (2) ELECTION OF EXTENDED GRACE PERIOD
2 FOR CERTAIN FDSL AND FDUS LOANS.—The Sec-
3 retary of Education shall provide an opportunity for
4 each borrower who has a Federal Direct Stafford
5 Loan or Federal Direct Unsubsidized Stafford Loan
6 for which the first disbursement is made on or after
7 July 1, 2013, to elect a 12-month grace period, in
8 accordance with section 428(b)(7) of the Higher
9 Education Act of 1965, as amended by this sub-
10 section, before beginning repayment. The Secretary
11 shall—

12 (A) notify each such borrower of the op-
13 portunity for such an election not later than 45
14 days before the start of the borrower’s repay-
15 ment period, as determined under section
16 428(b)(7) of the Higher Education Act of 1965
17 as in effect on the day before the date of enact-
18 ment of this Act;

19 (B) advise each such borrower of the fi-
20 nancial consequences of electing such 12-month
21 grace period; and

22 (C) not require such a borrower to accept
23 a 12-month grace period in accordance with
24 section 428(b)(7) of the Higher Education Act
25 of 1965 (as amended by this subsection), unless

1 the borrower specifically elects such 12-month
2 grace period not later than 14 days before the
3 start of the borrower's repayment period, as de-
4 termined under section 428(b)(7) of the Higher
5 Education Act of 1965 as in effect on the day
6 before the date of enactment of this Act.

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