

114TH CONGRESS  
2D SESSION

# H. R. 6239

To amend the Higher Education Act of 1965 to improve Federal Pell Grants and loans, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 2016

Mr. DEFAZIO introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Higher Education Act of 1965 to improve Federal Pell Grants and loans, 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 “Helping Improve Grants for Higher Education & Repay-  
6 ment of Expensive Debt Act” or the “HIGHER ED Act”.

7 (b) TABLE OF CONTENTS.—The table of contents of  
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Federal Pell Grants.

Sec. 3. Reinstatement of authority to make Federal Direct Stafford Loans to graduate and professional students.

Sec. 4. Discharge student loans in bankruptcy.

Sec. 5. Refinancing programs.

Sec. 6. Loan forgiveness for adjunct faculty.

Sec. 7. Revised income-driven repayment plans for new borrowers on or after July 1, 2017.

1 **SEC. 2. FEDERAL PELL GRANTS.**

2 (a) INCREASE IN THE MAXIMUM AMOUNT OF A FED-  
3 ERAL PELL GRANT.—Section 401(b)(7)(C) of the Higher  
4 Education Act of 1965 (20 U.S.C. 1070a(b)(7)(C)) is  
5 amended by striking clauses (ii) and (iii) and inserting the  
6 following:

7 “(ii) AWARD YEAR 2017–2018.—For  
8 award year 2017–2018, the amount deter-  
9 mined under this subparagraph for pur-  
10 poses of subparagraph (B)(iii) shall be in-  
11 creased to \$9,410.

12 “(iii) SUBSEQUENT AWARD YEARS.—  
13 For award year 2018–2019 and each sub-  
14 sequent award year, the amount deter-  
15 mined under this subparagraph for pur-  
16 poses of subparagraph (B)(iii) shall be  
17 equal to—

18 “(I) the amount determined  
19 under this subparagraph for the pre-  
20 ceding award year; increased by

21 “(II) a percentage equal to the  
22 annual adjustment percentage for the

1                   award year for which the amount  
2                   under this subparagraph is being de-  
3                   termined; and

4                   “(III) rounded to the nearest  
5                   \$5.”.

6           (b) YEAR-ROUND FEDERAL PELL GRANT STU-  
7 DENTS.—

8           (1) IN GENERAL.—Section 401(b) of the High-  
9           er Education Act of 1965 (20 U.S.C. 1070a(b)) is  
10           amended by adding at the end the following:

11           “(8) YEAR-ROUND FEDERAL PELL GRANT STU-  
12 DENTS.—

13           “(A) IN GENERAL.—Notwithstanding any  
14           other provision of this subsection, the Secretary  
15           shall award, to an eligible student who meets  
16           the requirements in subparagraph (B) who has  
17           received a Federal Pell Grant for an award year  
18           and is enrolled in a program of study for one  
19           or more additional payment periods during the  
20           same award year that are not otherwise covered  
21           by the student’s Federal Pell Grant, an addi-  
22           tional Federal Pell Grant for the additional  
23           payment periods.

24           “(B) ELIGIBILITY.—In order to be eligible  
25           to receive the additional Federal Pell Grant for

1 an award year that is described in subpara-  
2 graph (A), a student shall, in addition to meet-  
3 ing all eligibility requirements for the receipt of  
4 a Federal Pell Grant—

5 “(i) be enrolled at least on a part-time  
6 basis in an institution of higher education;  
7 and

8 “(ii) have successfully completed at  
9 least a full-time course load (as determined  
10 by the institution) prior to receiving an ad-  
11 ditional Federal Pell Grant award as de-  
12 scribed in subparagraph (A).

13 “(C) AMOUNTS.—In the case of a student  
14 receiving more than one Federal Pell Grant in  
15 a single award year under subparagraph (A),  
16 the total amount of the Federal Pell Grants  
17 awarded to such student for the award year  
18 shall not exceed an amount equal to 150 per-  
19 cent of the total maximum Federal Pell Grant  
20 for such award year calculated in accordance  
21 with paragraph (7)(C)(iv)(II).

22 “(D) INCLUSION IN DURATION LIMIT.—  
23 Any period of study covered by a Federal Pell  
24 Grant awarded under subparagraph (A) shall

1           be included in determining a student’s duration  
2           limit under subsection (c)(5).

3           “(9) CROSSOVER PERIOD.—In any case where  
4           an eligible student is receiving a Federal Pell Grant  
5           for a payment period that spans 2 award years, the  
6           Secretary shall allow the eligible institution in which  
7           the student is enrolled to determine the award year  
8           to which the additional period shall be assigned.”.

9           (2) EFFECTIVE DATE.—The amendment made  
10          by paragraph (1) shall take effect on July 1, 2017.

11 **SEC. 3. REINSTATEMENT OF AUTHORITY TO MAKE FED-**  
12 **ERAL DIRECT STAFFORD LOANS TO GRAD-**  
13 **UATE AND PROFESSIONAL STUDENTS.**

14          (a) AMENDMENTS.—Section 455(a)(3) of the Higher  
15 Education Act of 1965 (20 U.S.C. 1087e(a)(3)) is amend-  
16 ed—

17           (1) in the paragraph heading, by inserting  
18           “TEMPORARY” before “TERMINATION”; and

19           (2) in subparagraph (A), in the matter pre-  
20           ceding clause (i), by inserting “, and ending on or  
21           before June 30, 2016” after “2012”.

22          (b) INAPPLICABILITY OF RULEMAKING REQUIRE-  
23 MENTS.—Sections 482(c) and 492 of the Higher Edu-  
24 cation Act of 1965 (20 U.S.C. 1089(c); 1098a) shall not  
25 apply to the regulations under this section.

1 **SEC. 4. DISCHARGE STUDENT LOANS IN BANKRUPTCY.**

2 (a) EXCEPTION TO DISCHARGE.—Section 523(a) of  
3 title 11, United States Code, is amended—

4 (1) by striking paragraph (8), and

5 (2) by redesignating paragraphs (9) through  
6 (14B) as paragraphs (8) through (14A), respec-  
7 tively.

8 (b) CONFORMING AMENDMENTS.—Title 11, United  
9 States Code, is amended—

10 (1) in section 704(c)(1)(C)(iv)(I) by striking  
11 “(14A)” and inserting “(14)”,

12 (2) in section 1106(c)(1)(C)(iv)(I) by striking  
13 “(14A)” and inserting “(14)”,

14 (3) in section 1202(c)(1)(C)(iv)(I) by striking  
15 “(14A)” and inserting “(14)”, and

16 (4) in section 1328(a)(2) by striking “(8), or  
17 (9)” and inserting “or (8)”.

18 (c) EFFECTIVE DATE; APPLICATION OF AMEND-  
19 MENTS.—

20 (1) EFFECTIVE DATE.—Except as provided in  
21 subsection (b), this section and the amendments  
22 made by this section shall take effect on the date of  
23 the enactment of this Act.

24 (2) APPLICATION OF AMENDMENTS.—The  
25 amendments made by this section shall apply only  
26 with respect to cases commenced under title 11 of

1 the United States Code on or after the date of the  
2 enactment of this Act.

3 **SEC. 5. REFINANCING PROGRAMS.**

4 (a) PROGRAM AUTHORITY.—Section 451(a) of the  
5 Higher Education Act of 1965 (20 U.S.C. 1087a(a)) is  
6 amended—

7 (1) by striking “and (2)” and inserting “(2)”;  
8 and

9 (2) by inserting “; and (3) to make loans under  
10 section 460A and section 460B” after “section  
11 459A”.

12 (b) REFINANCING PROGRAM.—Part D of title IV of  
13 the Higher Education Act of 1965 (20 U.S.C. 1087a et  
14 seq.) is amended by adding at the end the following:

15 **“SEC. 460A. REFINANCING FFEL AND FEDERAL DIRECT**  
16 **LOANS.**

17 “(a) IN GENERAL.—Beginning not later than 180  
18 days after the date of enactment of the Helping Improve  
19 Grants for Higher Education & Repayment of Expensive  
20 Debt Act, the Secretary shall establish a program under  
21 which the Secretary, upon the receipt of an application  
22 from a qualified borrower, makes a loan under this part,  
23 in accordance with the provisions of this section, in order  
24 to permit the borrower to obtain the interest rate provided  
25 under subsection (c).

1 “(b) REFINANCING DIRECT LOANS.—

2 “(1) FEDERAL DIRECT LOANS.—Upon applica-  
3 tion of a qualified borrower, the Secretary shall  
4 repay a Federal Direct Stafford Loan, a Federal Di-  
5 rect Unsubsidized Stafford Loan, a Federal Direct  
6 PLUS Loan, or a Federal Direct Consolidation  
7 Loan of the qualified borrower, for which the first  
8 disbursement was made, or the application for the  
9 consolidation loan was received, before July 1, 2016,  
10 with the proceeds of a refinanced Federal Direct  
11 Stafford Loan, a Federal Direct Unsubsidized Staf-  
12 ford Loan, a Federal Direct PLUS Loan, or a Fed-  
13 eral Direct Consolidation Loan, respectively, issued  
14 to the borrower in an amount equal to the sum of  
15 the unpaid principal, accrued unpaid interest, and  
16 late charges of the original loan.

17 “(2) REFINANCING FFEL PROGRAM LOANS AS  
18 REFINANCED FEDERAL DIRECT LOANS.—Upon ap-  
19 plication of a qualified borrower for any loan that  
20 was made, insured, or guaranteed under part B and  
21 for which the first disbursement was made, or the  
22 application for the consolidation loan was received,  
23 before July 1, 2010, the Secretary shall make a loan  
24 under this part, in an amount equal to the sum of  
25 the unpaid principal, accrued unpaid interest, and



1 late charges of the original loan to the borrower in  
2 accordance with the following:

3 “(A) The Secretary shall pay the proceeds  
4 of such loan to the eligible lender of the loan  
5 made, insured, or guaranteed under part B, in  
6 order to discharge the borrower from any re-  
7 maining obligation to the lender with respect to  
8 the original loan.

9 “(B) A loan made under this section that  
10 was originally—

11 “(i) a loan originally made, insured,  
12 or guaranteed under section 428 shall be a  
13 Federal Direct Stafford Loan;

14 “(ii) a loan originally made, insured,  
15 or guaranteed under section 428B shall be  
16 a Federal Direct PLUS Loan;

17 “(iii) a loan originally made, insured,  
18 or guaranteed under section 428H shall be  
19 a Federal Direct Unsubsidized Stafford  
20 Loan; and

21 “(iv) a loan originally made, insured,  
22 or guaranteed under section 428C shall be  
23 a Federal Direct Consolidation Loan.

1           “(C) The interest rate for each loan made  
2           by the Secretary under this paragraph shall be  
3           the rate provided under subsection (c).

4           “(c) INTEREST RATES.—

5           “(1) IN GENERAL.—The interest rate for the  
6           refinanced Federal Direct Stafford Loans, Federal  
7           Direct Unsubsidized Stafford Loans, Federal Direct  
8           PLUS Loans, and Federal Direct Consolidation  
9           Loans, shall be a rate equal to—

10           “(A) in any case where the original loan  
11           was a loan under section 428 or 428H, a Fed-  
12           eral Direct Stafford loan, or a Federal Direct  
13           Unsubsidized Stafford Loan, that was issued to  
14           an undergraduate student, a rate equal to the  
15           rate for Federal Direct Stafford Loans and  
16           Federal Direct Unsubsidized Stafford Loans  
17           issued to undergraduate students for the 12-  
18           month period beginning on July 1, 2016, and  
19           ending on June 30, 2017;

20           “(B) in any case where the original loan  
21           was a loan under section 428 or 428H, a Fed-  
22           eral Direct Stafford Loan, or a Federal Direct  
23           Unsubsidized Stafford Loan, that was issued to  
24           a graduate or professional student, a rate equal  
25           to the rate for Federal Direct Unsubsidized

1           Stafford Loans issued to graduate or profes-  
2           sional students for the 12-month period begin-  
3           ning on July 1, 2016, and ending on June 30,  
4           2017;

5           “(C) in any case where the original loan  
6           was a loan under section 428B or a Federal Di-  
7           rect PLUS Loan, a rate equal to the rate for  
8           Federal Direct PLUS Loans for the 12-month  
9           period beginning on July 1, 2016, and ending  
10          on June 30, 2017; and

11          “(D) in any case where the original loan  
12          was a loan under section 428C or a Federal Di-  
13          rect Consolidation Loan, a rate calculated in ac-  
14          cordance with paragraph (2).

15          “(2) INTEREST RATES FOR CONSOLIDATION  
16          LOANS.—

17          “(A) METHOD OF CALCULATION.—In  
18          order to determine the interest rate for any re-  
19          financed Federal Direct Consolidation Loan  
20          under paragraph (1)(D), the Secretary shall—

21                  “(i) determine each of the component  
22                  loans that were originally consolidated in  
23                  the loan under section 428C or the Federal  
24                  Direct Consolidation Loan, and calculate  
25                  the proportion of the unpaid principal bal-

1           ance of the loan under section 428C or the  
2           Federal Direct Consolidation Loan that  
3           each component loan represents;

4           “(ii) use the proportions determined  
5           in accordance with clause (i) and the inter-  
6           est rate applicable for each component  
7           loan, as determined under subparagraph  
8           (B), to calculate the weighted average of  
9           the interest rates on the loans consolidated  
10          into the loan under section 428C or the  
11          Federal Direct Consolidation Loan; and

12          “(iii) apply the weighted average cal-  
13          culated under clause (ii) as the interest  
14          rate for the refinanced Federal Direct Con-  
15          solidation Loan.

16          “(B) INTEREST RATES FOR COMPONENT  
17          LOANS.—The interest rates for the component  
18          loans of a loan made under section 428C or a  
19          Federal Direct Consolidation Loan shall be the  
20          following:

21                 “(i) The interest rate for any loan  
22                 under section 428 or 428H, Federal Direct  
23                 Stafford Loan, or Federal Direct Unsub-  
24                 sidized Stafford Loan issued to an under-

1 graduate student shall be a rate equal to  
2 the lesser of—

3 “(I) the rate for Federal Direct  
4 Stafford Loans and Federal Direct  
5 Unsubsidized Stafford Loans issued  
6 to undergraduate students for the 12-  
7 month period beginning on July 1,  
8 2016, and ending on June 30, 2017;  
9 or

10 “(II) the original interest rate of  
11 the component loan.

12 “(ii) The interest rate for any loan  
13 under section 428 or 428H, Federal Direct  
14 Stafford Loan, or Federal Direct Unsub-  
15 sidized Stafford Loan issued to a graduate  
16 or professional student shall be a rate  
17 equal to the lesser of—

18 “(I) the rate for Federal Direct  
19 Unsubsidized Stafford Loans issued  
20 to graduate or professional students  
21 for the 12-month period beginning on  
22 July 1, 2016, and ending on June 30,  
23 2017; or

24 “(II) the original interest rate of  
25 the component loan.

1           “(iii) The interest rate for any loan  
2           under section 428B or Federal Direct  
3           PLUS Loan shall be a rate equal to the  
4           lesser of—

5                   “(I) the rate for Federal Direct  
6                   PLUS Loans for the 12-month period  
7                   beginning on July 1, 2016, and end-  
8                   ing on June 30, 2017; or

9                   “(II) the original interest rate of  
10                  the component loan.

11                  “(iv) The interest rate for any compo-  
12                  nent loan that is a loan under section  
13                  428C or a Federal Direct Consolidation  
14                  Loan shall be the weighted average of the  
15                  interest rates that would apply under this  
16                  subparagraph for each loan comprising the  
17                  component consolidation loan.

18                  “(v) The interest rate for any eligible  
19                  loan that is a component of a loan made  
20                  under section 428C or a Federal Direct  
21                  Consolidation Loan and is not described in  
22                  clauses (i) through (iv) shall be the inter-  
23                  est rate on the original component loan.

24                  “(3) FIXED RATE.—The applicable rate of in-  
25                  terest determined under paragraph (1) for a refi-

1 nanced loan under this section shall be fixed for the  
2 period of the loan.

3 “(d) TERMS AND CONDITIONS OF LOANS.—

4 “(1) IN GENERAL.—A loan that is refinanced  
5 under this section shall have the same terms and  
6 conditions as the original loan, except as otherwise  
7 provided in this section.

8 “(2) NO AUTOMATIC EXTENSION OF REPAY-  
9 MENT PERIOD.—Refinancing a loan under this sec-  
10 tion shall not result in the extension of the duration  
11 of the repayment period of the loan, and the bor-  
12 rower shall retain the same repayment term that  
13 was in effect on the original loan. Nothing in this  
14 paragraph shall be construed to prevent a borrower  
15 from electing a different repayment plan at any time  
16 in accordance with section 455(d)(3).

17 “(e) DEFINITION OF QUALIFIED BORROWER.—

18 “(1) IN GENERAL.—For purposes of this sec-  
19 tion, the term ‘qualified borrower’ means a bor-  
20 rower—

21 “(A) of a loan under this part or part B  
22 for which the first disbursement was made, or  
23 the application for a consolidation loan was re-  
24 ceived, before July 1, 2016; and

1           “(B) who meets the eligibility requirements  
2           based on income or debt-to-income ratio estab-  
3           lished by the Secretary.

4           “(2) INCOME REQUIREMENTS.—Not later than  
5           180 days after the date of enactment of the Helping  
6           Improve Grants for Higher Education & Repayment  
7           of Expensive Debt Act, the Secretary shall establish  
8           eligibility requirements based on income or debt-to-  
9           income ratio that take into consideration providing  
10          access to refinancing under this section for bor-  
11          rowers with the greatest financial need.

12          “(f) NOTIFICATION TO BORROWERS.—The Secretary,  
13          in coordination with the Director of the Bureau of Con-  
14          sumer Financial Protection, shall undertake a campaign  
15          to alert borrowers of loans that are eligible for refinancing  
16          under this section that the borrowers are eligible to apply  
17          for such refinancing. The campaign shall include the fol-  
18          lowing activities:

19                 “(1) Developing consumer information mate-  
20                 rials about the availability of Federal student loan  
21                 refinancing.

22                 “(2) Requiring servicers of loans under this  
23                 part or part B to provide such consumer information  
24                 to borrowers in a manner determined appropriate by



1 the Secretary, in consultation with the Director of  
2 the Bureau of Consumer Financial Protection.

3 **“SEC. 460B. FEDERAL DIRECT REFINANCED PRIVATE LOAN**  
4 **PROGRAM.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) ELIGIBLE PRIVATE EDUCATION LOAN.—  
7 The term ‘eligible private education loan’ means a  
8 private education loan, as defined in section 140(a)  
9 of the Truth in Lending Act (15 U.S.C. 1650(a)),  
10 that—

11 “(A) was disbursed to the borrower before  
12 July 1, 2016; and

13 “(B) was for the borrower’s own postsec-  
14 ondary educational expenses for an eligible pro-  
15 gram at an institution of higher education par-  
16 ticipating in the loan program under this part,  
17 as of the date that the loan was disbursed.

18 “(2) FEDERAL DIRECT REFINANCED PRIVATE  
19 LOAN.—The term ‘Federal Direct Refinanced Pri-  
20 vate Loan’ means a loan issued under subsection  
21 (b)(1).

22 “(3) PRIVATE EDUCATIONAL LENDER.—The  
23 term ‘private educational lender’ has the meaning  
24 given the term in section 140(a) of the Truth in  
25 Lending Act (15 U.S.C. 1650(a)).

1           “(4) QUALIFIED BORROWER.—The term ‘quali-  
2       fied borrower’ means an individual who—

3                   “(A) has an eligible private education loan;

4                   “(B) has been current on payments on the  
5       eligible private education loan for the 6 months  
6       prior to the date of the qualified borrower’s ap-  
7       plication for refinancing under this section, and  
8       is in good standing on the loan at the time of  
9       such application;

10                  “(C) is not in default on the eligible pri-  
11       vate education loan or on any loan made, in-  
12       sured, or guaranteed under this part or part B  
13       or E; and

14                  “(D) meets the eligibility requirements de-  
15       scribed in subsection (b)(2).

16       “(b) PROGRAM AUTHORIZED.—

17                  “(1) IN GENERAL.—The Secretary, in consulta-  
18       tion with the Secretary of the Treasury, shall carry  
19       out a program under which the Secretary, upon ap-  
20       plication by a qualified borrower who has an eligible  
21       private education loan, shall issue such borrower a  
22       loan under this part in accordance with the fol-  
23       lowing:

24                   “(A) The loan issued under this program  
25       shall be in an amount equal to the sum of the

1           unpaid principal, accrued unpaid interest, and  
2           late charges of the private education loan.

3           “(B) The Secretary shall pay the proceeds  
4           of the loan issued under this program to the  
5           private educational lender of the private edu-  
6           cation loan, in order to discharge the qualified  
7           borrower from any remaining obligation to the  
8           lender with respect to the original loan.

9           “(C) The Secretary shall require that the  
10          qualified borrower undergo loan counseling that  
11          provides all of the information and counseling  
12          required under clauses (i) through (viii) of sec-  
13          tion 485(b)(1)(A) before the loan is refinanced  
14          in accordance with this section, and before the  
15          proceeds of such loan are paid to the private  
16          educational lender.

17          “(D) The Secretary shall issue the loan as  
18          a Federal Direct Refinanced Private Loan,  
19          which shall have the same terms, conditions,  
20          and benefits as a Federal Direct Unsubsidized  
21          Stafford Loan, except as otherwise provided in  
22          this section.

23          “(2) BORROWER ELIGIBILITY.—Not later than  
24          180 days after the date of enactment of the Helping  
25          Improve Grants for Higher Education & Repayment

1 of Expensive Debt Act, the Secretary, in consulta-  
2 tion with the Secretary of the Treasury and the Di-  
3 rector of the Bureau of Consumer Financial Protec-  
4 tion, shall establish eligibility requirements—

5 “(A) based on income or debt-to-income  
6 ratio that take into consideration providing ac-  
7 cess to refinancing under this section for bor-  
8 rowers with the greatest financial need;

9 “(B) to ensure eligibility only for bor-  
10 rowers in good standing;

11 “(C) to minimize inequities between Fed-  
12 eral Direct Refinanced Private Loans and other  
13 Federal student loans;

14 “(D) to preclude windfall profits for pri-  
15 vate educational lenders; and

16 “(E) to ensure full access to the program  
17 authorized in this subsection for borrowers with  
18 private loans who otherwise meet the criteria  
19 established in accordance with subparagraphs  
20 (A) and (B).

21 “(c) INTEREST RATE.—

22 “(1) IN GENERAL.—The interest rate for a  
23 Federal Direct Refinanced Private Loan is—

24 “(A) in the case of a Federal Direct Refi-  
25 nanced Private Loan for a private education

1 loan originally issued for undergraduate post-  
2 secondary educational expenses, a rate equal to  
3 the rate for Federal Direct Stafford Loans and  
4 Federal Direct Unsubsidized Stafford Loans  
5 issued to undergraduate students for the 12-  
6 month period beginning on July 1, 2016, and  
7 ending on June 30, 2017; and

8 “(B) in the case of a Federal Direct Refi-  
9 nanced Private Loan for a private education  
10 loan originally issued for graduate or profes-  
11 sional degree postsecondary educational ex-  
12 penses, a rate equal to the rate for Federal Di-  
13 rect Unsubsidized Stafford Loans issued to  
14 graduate or professional students for the 12-  
15 month period beginning on July 1, 2016, and  
16 ending on June 30, 2017.

17 “(2) COMBINED UNDERGRADUATE AND GRAD-  
18 UATE STUDY LOANS.—If a Federal Direct Refi-  
19 nanced Private Loan is for a private education loan  
20 originally issued for both undergraduate and grad-  
21 uate or professional postsecondary educational ex-  
22 penses, the interest rate shall be a rate equal to the  
23 rate for Federal Direct PLUS Loans for the 12-  
24 month period beginning on July 1, 2016, and ending  
25 on June 30, 2017.

1           “(3) FIXED RATE.—The applicable rate of in-  
2           terest determined under this subsection for a Fed-  
3           eral Direct Refinanced Private Loan shall be fixed  
4           for the period of the loan.

5           “(d) NO INCLUSION IN AGGREGATE LIMITS.—The  
6           amount of a Federal Direct Refinanced Private Loan, or  
7           a Federal Direct Consolidated Loan to the extent such  
8           loan was used to repay a Federal Direct Refinanced Pri-  
9           vate Loan, shall not be included in calculating a bor-  
10          rower’s annual or aggregate loan limits under section 428  
11          or 428H.

12          “(e) NO ELIGIBILITY FOR SERVICE-RELATED RE-  
13          PAYMENT.—Notwithstanding sections 428K(a)(2)(A),  
14          428L(b)(2), 455(m)(3)(A), and 460(b), a Federal Direct  
15          Refinanced Private Loan, or any Federal Direct Consoli-  
16          dation Loan to the extent such loan was used to repay  
17          a Federal Direct Refinanced Private Loan, shall not be  
18          eligible for any loan repayment or loan forgiveness pro-  
19          gram under section 428K, 428L, or 460 or for the repay-  
20          ment plan for public service employees under section  
21          455(m).

22          “(f) PRIVATE EDUCATIONAL LENDER REPORTING  
23          REQUIREMENT.—

24                  “(1) REPORTING REQUIRED.—Not later than  
25                  180 days after the date of enactment of the Helping

1 Improve Grants for Higher Education & Repayment  
2 of Expensive Debt Act, the Secretary, in consulta-  
3 tion with the Secretary of the Treasury and the Di-  
4 rector of the Bureau of Consumer Financial Protec-  
5 tion, shall establish a requirement that private edu-  
6 cational lenders report the data described in para-  
7 graph (2) to the Secretary, to Congress, to the Sec-  
8 retary of the Treasury, and to the Director of the  
9 Bureau of Consumer Financial Protection, in order  
10 to allow for an assessment of the private education  
11 loan market.

12 “(2) CONTENTS OF REPORTING.—The data  
13 that private educational lenders shall report in ac-  
14 cordance with paragraph (1) shall include each of  
15 the following about private education loans (as de-  
16 fined in section 140(a) of the Truth in Lending Act  
17 (15 U.S.C. 1650(a))):

18 “(A) The total amount of private education  
19 loan debt the lender holds.

20 “(B) The total number of private edu-  
21 cation loan borrowers the lender serves.

22 “(C) The average interest rate on the out-  
23 standing private education loan debt held by the  
24 lender.

1           “(D) The proportion of private education  
2           loan borrowers who are in default on a loan  
3           held by the lender.

4           “(E) The proportion of the outstanding  
5           private education loan volume held by the lend-  
6           er that is in default.

7           “(F) The proportions of outstanding pri-  
8           vate education loan borrowers who are 30, 60,  
9           and 90 days delinquent.

10           “(G) The proportions of outstanding pri-  
11           vate education loan volume that is 30, 60, and  
12           90 days delinquent.

13           “(g) NOTIFICATION TO BORROWERS.—The Sec-  
14           retary, in coordination with the Secretary of the Treasury  
15           and the Director of the Bureau of Consumer Financial  
16           Protection, shall undertake a campaign to alert borrowers  
17           about the availability of private student loan refinancing  
18           under this section.”.

19           (c) AMENDMENTS TO PUBLIC SERVICE REPAYMENT  
20           PLAN PROVISIONS.—Section 455(m) of the Higher Edu-  
21           cation Act of 1965 (20 U.S.C. 1087e(m)) is amended—

22           (1) by redesignating paragraphs (3) and (4) as  
23           paragraphs (4) and (5), respectively;

24           (2) by inserting after paragraph (2) the fol-  
25           lowing:



1           “(3) SPECIAL RULES FOR SECTION 460A  
2           LOANS.—

3           “(A) REFINANCED FEDERAL DIRECT  
4           LOANS.—Notwithstanding paragraph (1), in de-  
5           termining the number of monthly payments  
6           that meet the requirements of such paragraph  
7           for an eligible Federal Direct Loan refinanced  
8           under section 460A that was originally a loan  
9           under this part, the Secretary shall include all  
10          monthly payments made on the original loan  
11          that meet the requirements of such paragraph.

12          “(B) REFINANCED FFEL LOANS.—In the  
13          case of an eligible Federal Direct Loan refi-  
14          nanced under section 460A that was originally  
15          a loan under part B, only monthly payments  
16          made after the date on which the loan was refi-  
17          nanced may be included for purposes of para-  
18          graph (1).”; and

19          (3) in paragraph (4)(A) (as redesignated by  
20          paragraph (1)), by inserting “(including any Federal  
21          Direct Stafford Loan, Federal Direct PLUS Loan,  
22          Federal Direct Unsubsidized Stafford Loan, or Fed-  
23          eral Direct Consolidation Loan refinanced under sec-  
24          tion 460A)” before the period at the end.

1 (d) INCOME-BASED REPAYMENT.—Section 493C of  
2 the Higher Education Act of 1965 (20 U.S.C. 1098e) is  
3 amended by adding at the end the following:

4 “(f) SPECIAL RULE FOR REFINANCED LOANS.—

5 “(1) REFINANCED FEDERAL DIRECT AND FFEL  
6 LOANS.—In calculating the period of time during  
7 which a borrower of a loan that is refinanced under  
8 section 460A has made monthly payments for pur-  
9 poses of subsection (b)(7), the Secretary shall deem  
10 the period to include all monthly payments made for  
11 the original loan, and all monthly payments made  
12 for the refinanced loan, that otherwise meet the re-  
13 quirements of this section.

14 “(2) FEDERAL DIRECT REFINANCED PRIVATE  
15 LOANS.—In calculating the period of time during  
16 which a borrower of a Federal Direct Refinanced  
17 Private Loan under section 460B has made monthly  
18 payments for purposes of subsection (b)(7), the Sec-  
19 retary shall include only payments—

20 “(A) that are made after the date of the  
21 issuance of the Federal Direct Refinanced Pri-  
22 vate Loan; and

23 “(B) that otherwise meet the requirements  
24 of this section.”.

1 **SEC. 6. LOAN FORGIVENESS FOR ADJUNCT FACULTY.**

2 Section 455(m)(3)(B)(ii) of the Higher Education  
3 Act of 1965 (20 U.S.C. 1087e(m)(3)(B)(ii)) is amended—

4 (1) by striking “teaching as” and inserting the  
5 following: “teaching—

6 “(I) as”;

7 (2) by striking “, foreign language faculty, and  
8 part-time faculty at community colleges), as deter-  
9 mined by the Secretary.” and inserting “and foreign  
10 language faculty), as determined by the Secretary;  
11 or”; and

12 (3) by adding at the end the following:

13 “(II) as a part-time faculty mem-  
14 ber or instructor who—

15 “(aa) teaches not less than  
16 1 course at an institution of  
17 higher education (as defined in  
18 section 101(a)), a postsecondary  
19 vocational institution (as defined  
20 in section 102(c)), or a Tribal  
21 College or University (as defined  
22 in section 316(b)); and

23 “(bb) is not employed on a  
24 full-time basis by any other em-  
25 ployer.”.

1 **SEC. 7. REVISED INCOME-DRIVEN REPAYMENT PLANS FOR**  
2 **NEW BORROWERS ON OR AFTER JULY 1, 2017.**

3 (a) INCOME-CONTINGENT REPAYMENT.—Section  
4 455 of the Higher Education Act of 1965 (20 U.S.C.  
5 1087e) is amended—

6 (1) in subsection (d)(1)(D), by adding at the  
7 end before the semicolon the following: “, and such  
8 plan shall meet the requirements of subsection (e)(8)  
9 with respect to any loan made under this part to a  
10 new borrower on or after July 1, 2017”; and

11 (2) in subsection (e), by adding at the end the  
12 following:

13 “(8) SPECIAL TERMS FOR NEW BORROWERS ON  
14 OR AFTER JULY 1, 2017.—With respect to any loan  
15 made under this part to a new borrower on or after  
16 July 1, 2017, and eligible to be repaid pursuant to  
17 income contingent repayment, such borrower may  
18 repay such loan pursuant to an income contingent  
19 repayment plan under the following conditions:

20 “(A) Notwithstanding any partial hardship  
21 requirement for the income contingent repay-  
22 ment plan—

23 “(i) during any period during which  
24 the borrower’s (and the borrower’s spouse,  
25 if applicable) adjusted gross income is  
26 equal to or less than 225 percent of the

1 poverty line applicable to the borrower's  
2 family size as determined under section  
3 673(2) of the Community Services Block  
4 Grant Act (42 U.S.C. 9902(2)), the bor-  
5 rower's aggregate monthly payment for all  
6 such loans shall be equal to \$0; and

7 “(ii) during any period during which  
8 the borrower's (and the borrower's spouse,  
9 if applicable) adjusted gross income ex-  
10 ceeds 225 percent of such poverty line, the  
11 borrower's aggregate monthly payment for  
12 all such loans shall be determined in ac-  
13 cordance with the terms and conditions,  
14 and borrower benefits, of such plan.

15 “(B) The interest on any such loan shall  
16 not accrue, or if accrued, shall be paid by the  
17 Secretary for the following periods:

18 “(i) The period described in subpara-  
19 graph (A)(i).

20 “(ii) The 6-month period after the  
21 date the borrower ceases to carry at least  
22 one-half the normal full-time academic  
23 workload at an institution of higher edu-  
24 cation, as determined by the institution,

1                   and during which the borrower is not earn-  
2                   ing any income.”.

3           (b) INCOME-BASED REPAYMENT.—Section 493C(b)  
4 of the Higher Education Act of 1965 (20 U.S.C.  
5 1098e(b)) is amended—

6                   (1) in paragraph (1)—

7                           (A) by striking “(1) a borrower” and in-  
8                           serting the following:

9                           “(1)(A) a borrower”;

10                           (B) by adding “or” at the end of subpara-  
11                           graph (A); and

12                           (C) by adding at the end the following:

13                           “(B) with respect to any loan made under  
14                           part D (other than an excepted PLUS loan or  
15                           excepted consolidation loan) to a new borrower  
16                           on or after July 1, 2017, such borrower may  
17                           elect—

18                                   “(i) during any period during which  
19                                   the borrower’s (and the borrower’s spouse,  
20                                   if applicable) adjusted gross income is  
21                                   equal to or less than 225 percent of the  
22                                   poverty line applicable to the borrower’s  
23                                   family size as determined under section  
24                                   673(2) of the Community Services Block  
25                                   Grant Act (42 U.S.C. 9902(2)), to have

1 the borrower’s aggregate monthly payment  
2 for all such loans equal to \$0; and

3 “(ii) during any period during which  
4 the borrower’s (and the borrower’s spouse,  
5 if applicable) adjusted gross income ex-  
6 ceeds 225 percent of such poverty line, to  
7 have the borrower’s aggregate monthly  
8 payment for all such loans not exceed, the  
9 lesser of—

10 “(I) the result described in sub-  
11 section (a)(3)(B) divided by 12; or

12 “(II) the monthly amount cal-  
13 culated under section 455(d)(1)(A),  
14 based on a 10-year repayment period,  
15 when the borrower first made the elec-  
16 tion described in this subsection;”  
17 and

18 (2) in paragraph (3)—

19 (A) at the end of subparagraph (A), by  
20 striking “and”;

21 (B) by adding “and” at the end of sub-  
22 paragraph (B); and

23 (C) by adding at the end the following:

24 “(C) shall, on any loan for which payments  
25 may be made under paragraph (1)(B), be paid,

1 or be treated as if no interest has accrued, by  
2 the Secretary—

3 “(i) for any period described in para-  
4 graph (1)(B)(i); and

5 “(ii) for the 6-month period after the  
6 date the borrower ceases to carry at least  
7 one-half the normal full-time academic  
8 workload at an institution of higher edu-  
9 cation, as determined by the institution,  
10 and during which the borrower is not earn-  
11 ing any income;”.

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