

115TH CONGRESS  
1ST SESSION

# H. R. 3572

To carry out an income-contingent repayment program for Federal Interest Free Education Loans for undergraduate students, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2017

Mr. CICILLINE (for himself, Ms. BASS, Ms. CLARKE of New York, Mr. MCGOVERN, Ms. SCHAKOWSKY, Ms. WILSON of Florida, and Mr. ELLISON) introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To carry out an income-contingent repayment program for Federal Interest Free Education Loans for undergraduate students, 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 “Making College More  
5 Affordable Act”.

1 **SEC. 2. DIRECT FEDERAL UNDERGRADUATE LOANS AND**  
2 **REPAYMENT PLAN.**

3 (a) INTEREST RATES.—Section 455(a) of the Higher  
4 Education Act of 1965 (20 U.S.C. 1087e(a)) is amended  
5 by adding at the end the following:

6 “(4) UNDERGRADUATE LOANS ON OR AFTER  
7 THE DATE OF ENACTMENT OF THE MAKING COL-  
8 LEGE MORE AFFORDABLE ACT.—

9 “(A) IN GENERAL.—Notwithstanding any  
10 other provision of this Act, a new borrower on  
11 or after the date of enactment of the Making  
12 College More Affordable Act may only borrow a  
13 Federal Interest Free Education Loan for the  
14 undergraduate course work being pursued by  
15 such borrower.

16 “(B) TERMS, CONDITIONS, AND BENE-  
17 FITS.—A Federal Interest Free Education  
18 Loan shall have the same terms and conditions,  
19 and benefits to borrowers as Federal Direct  
20 Stafford Loans with respect to undergraduate  
21 borrowers, except that—

22 “(i) a Federal Interest Free Edu-  
23 cation Loan shall have an applicable rate  
24 of interest of 3.76 percent for the term of  
25 the loan;

1           “(ii) the aggregate maximum amount  
2 of Federal Interest Free Education Loan  
3 that may be awarded to a borrower shall  
4 be \$90,000, for not more than a 4-year  
5 academic period;

6           “(iii) interest on a Federal Interest  
7 Free Education Loan shall only accrue  
8 during periods when a borrower is not  
9 earning taxable income due to professional  
10 negligence, professional incompetence, or  
11 malicious action on the part of the bor-  
12 rower;

13           “(iv) a borrower may consolidate any  
14 loan under section 428B, or a Federal Di-  
15 rect PLUS Loan, that is made, insured, or  
16 guaranteed on behalf of such borrower  
17 with the Federal Interest Free Education  
18 Loan of such borrower;

19           “(v) a Federal Interest Free Edu-  
20 cation Loan may only be repaid under the  
21 income-contingent repayment plan under  
22 subsection (r); and

23           “(vi) the Secretary may determine  
24 other terms and conditions, and benefits to

1                   borrowers of a Federal Interest Free Edu-  
2                   cation Loan.”.

3           (b) INCOME-CONTINGENT REPAYMENT PLAN FOR  
4 UNDERGRADUATE LOANS.—Section 455 of the Higher  
5 Education Act of 1965 (20 U.S.C. 1087e) is further  
6 amended by adding at the end the following:

7           “(r) INCOME-CONTINGENT REPAYMENT PLAN FOR  
8 UNDERGRADUATE LOANS.—Notwithstanding any other  
9 provision of this Act, the Secretary shall carry out a pro-  
10 gram under which—

11                   “(1) a borrower of a Federal Interest Free  
12           Education Loan—

13                           “(A) shall have an aggregate monthly pay-  
14                           ment for the outstanding balance of principal  
15                           and interest due on all such loans automatically  
16                           withheld from the pre-tax income of the bor-  
17                           rower by the employer of the borrower in a  
18                           manner which—

19                                   “(i) prohibits employers from using  
20                                   any information about an employee’s out-  
21                                   standing balance or principal and interest  
22                                   due on such loans for any purpose of use  
23                                   as an advantage against the employee;

24                                   “(ii) is determined by the Secretary,  
25                                   in coordination with the heads of other ap-

1 appropriate Federal agencies (including the  
2 Secretary of the Treasury and the Com-  
3 missioner of the Social Security Adminis-  
4 tration); and

5 “(iii) is an amount equal to—

6 “(I) if the borrower’s gross in-  
7 come is less than 337 percent of the  
8 poverty line applicable to the bor-  
9 rower’s family size as determined  
10 under section 673(2) of the Commu-  
11 nity Services Block Grant Act (42  
12 U.S.C. 9902(2)), \$0;

13 “(II) if the borrower’s gross in-  
14 come is equal to or greater than 337  
15 percent, but not more than 841 per-  
16 cent of such poverty line; 4 percent of  
17 the borrower’s gross income;

18 “(III) if the borrower’s gross in-  
19 come is equal to or greater than 842  
20 percent, but not more than 925 per-  
21 cent of such poverty line, 5 percent of  
22 the borrower’s gross income;

23 “(IV) if the borrower’s gross in-  
24 come is equal to or greater than 926  
25 percent, but not more than 1,010 per-

1 cent of such poverty line, 6 percent of  
2 the borrower's gross income;

3 “(V) if the borrower's gross in-  
4 come is equal to or greater than 1,011  
5 percent, but not more than 1,094 per-  
6 cent of such poverty line, 7 percent of  
7 the borrower's gross income;

8 “(VI) if the borrower's gross in-  
9 come is equal to or greater than 1,095  
10 percent, but not more than 1,178 per-  
11 cent of such poverty line, 8 percent of  
12 the borrower's gross income;

13 “(VII) if the borrower's gross in-  
14 come is equal to or greater than 1,179  
15 percent, and 1,262 percent of such  
16 poverty line, 9 percent of the bor-  
17 rower's gross income; and

18 “(VIII) if the borrower's gross  
19 income is equal to or greater than  
20 1,263 percent of such poverty line, 10  
21 percent of the borrower's gross in-  
22 come;

23 “(B) may elect to have any payments made  
24 under subparagraph (A) that exceed the  
25 amount owed by the borrower on such loans for

1 a calendar year be refunded to the borrower or  
2 applied to the amount owed by the borrower on  
3 such loans for the succeeding calendar year;

4 “(2) the Secretary will cancel any outstanding  
5 balance of principal or interest due on all Federal  
6 Interest Free Education Loans made to a borrower  
7 who has made 300 monthly payments under this  
8 subsection; and

9 “(3) a borrower will be taxed on the amount  
10 cancelled under paragraph (2), which taxes shall be  
11 applied to carry out the Federal Direct Loan pro-  
12 gram under this part.”.

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