

116TH CONGRESS
2D SESSION

H. R. 3598

IN THE SENATE OF THE UNITED STATES

MARCH 11, 2020

Received; read twice and referred to the Committee on Health, Education,
Labor, and Pensions

AN ACT

To amend the Higher Education Act of 1965 to automatically discharge the loans of certain veteran borrowers, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Federally Requiring
3 Earned Education-debt Discharges for Vets Act” or the
4 “FREED Vets Act”.

5 **SEC. 2. AUTOMATIC LOAN DISCHARGE FOR CERTAIN VET-**
6 **ERAN BORROWERS.**

7 Section 437(a) of the Higher Education Act of 1965
8 (20 U.S.C. 1087(a)) is amended—

9 (1) by striking paragraph (2) and inserting the
10 following:

11 “(2) **DISABILITY DETERMINATIONS.**—With re-
12 spect to a borrower who has been identified under
13 clause (i) or (ii) of paragraph (4)(A), the Secretary
14 shall—

15 “(A) consider the borrower permanently
16 and totally disabled for the purpose of dis-
17 charging the loans of the borrower under this
18 subsection;

19 “(B)(i) notify the borrower of the intent of
20 the Secretary to discharge the loans of the bor-
21 rower under this subsection; and

22 “(ii) only if section 108(f)(5) of the Inter-
23 nal Revenue Code of 1986 does not apply to
24 such a loan discharge for the calendar year, in-
25 clude as part of such notice a statement inform-
26 ing the borrower that such loan discharge may

1 be includible in the gross income of the bor-
2 rower for purposes of such Code;

3 “(C) provide the borrower with an oppor-
4 tunity to opt-out of such loan discharge during
5 the 60 day period beginning on the date on
6 which the Secretary transmits the notice re-
7 quired under subparagraph (B) to the borrower;
8 and

9 “(D) after the expiration of such period,
10 discharge the loans of the borrower under this
11 subsection, without any further action by the
12 borrower (except that this subparagraph shall
13 not apply to a borrower who opts out of such
14 discharge under subparagraph (C)).”; and

15 (2) by adding at the end the following:

16 “(4) MATCHING PROGRAM.—

17 “(A) IN GENERAL.—Not less than twice
18 per year, the Secretary of Education and the
19 Secretary of Veterans Affairs shall carry out a
20 computer matching program under which the
21 Secretary of Education identifies a borrower—

22 “(i) who has been assigned a rating of
23 total disability by the Secretary of Vet-
24 erans Affairs for a service-connected dis-

1 ability (as defined in section 101 of title
2 38, United States Code); or

3 “(ii) who has been determined by the
4 Secretary of Veterans Affairs to be unem-
5 ployable due to a service-connected condi-
6 tion.

7 “(B) MINOR DISCREPANCIES.—With re-
8 spect to each borrower who would have been
9 identified under clause (i) or (ii) of subpara-
10 graph (A) but for a minor discrepancy between
11 the information of the borrower maintained by
12 the Secretary of Education and the Secretary of
13 Veterans Affairs (such as a name discrepancy
14 post-marriage, a missing hyphen, a transposed
15 number or letter, or other typo), the Secretary
16 of Education and the Secretary of Veterans Af-
17 fairs shall work together to correct such minor
18 discrepancy of such borrower.”.

Passed the House of Representatives March 10,
2020.

Attest: CHERYL L. JOHNSON,
Clerk.