

116TH CONGRESS
1ST SESSION

H. R. 3887

To discharge the qualified loan amounts of each individual, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2019

Mr. CLYBURN (for himself, Ms. SCHAKOWSKY, Mr. KHANNA, and Ms. CLARKE of New York) introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committees on Ways and Means, and 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

A BILL

To discharge the qualified loan amounts of each individual,
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 “Student Loan Debt
5 Relief Act of 2019”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—LOAN DISCHARGE AND FORBEARANCE

- Sec. 101. Loan discharge.
 Sec. 102. Automatic administrative forbearance; halting of wage garnishment.
 Sec. 103. Staying and prohibition on commencement of actions for collection.
 Sec. 104. Ineligibility for Treasury Offset.

TITLE II—REFINANCING PROGRAMS

- Sec. 201. Refinancing programs.

TITLE III—DISCHARGEABILITY OF STUDENT LOANS IN
BANKRUPTCY

- Sec. 301. Dischargeability of student loans in bankruptcy.

TITLE IV—GENERAL PROVISIONS

- Sec. 401. Report on progress of implementation.
 Sec. 402. Notification to borrowers.
 Sec. 403. Inapplicability of title IV negotiated rulemaking and master calendar exception.
 Sec. 404. Definitions.

1 **TITLE I—LOAN DISCHARGE AND**
 2 **FORBEARANCE**

3 **SEC. 101. LOAN DISCHARGE.**

4 (a) IN GENERAL.—Subject to subsection (f), not later
 5 than the date that is 12 months after the date of enact-
 6 ment of this Act, the Secretary of Education shall dis-
 7 charge the qualified loan amount of each individual, with-
 8 out regard to the repayment status of the loan or whether
 9 the loan is in default.

10 (b) QUALIFIED LOAN AMOUNT.—

11 (1) IN GENERAL.—The qualified loan amount
 12 of an individual is an amount equal to the lesser
 13 of—

14 (A) \$50,000; and

1 (B) the aggregate loan obligation on the el-
2 igible Federal loans of the taxpayer that is out-
3 standing on the date of enactment of this Act
4 or, in the case of such loans issued under sec-
5 tion 460B of the Higher Education Act of
6 1965, as added by title II of this Act, on the
7 date on which such loans are issued under such
8 section 460B.

9 (2) LIMITATION BASED ON ADJUSTED GROSS
10 INCOME.—The amount discharged under subsection
11 (a) with respect to an individual shall be reduced
12 (but not below zero) by \$1 for each \$3 (or fraction
13 thereof) by which the taxpayer's adjusted gross in-
14 come exceeds \$100,000 (twice such amount in the
15 case of a joint return) for the most recent taxable
16 year ending before the date of the enactment of this
17 Act.

18 (c) METHOD OF LOAN DISCHARGE.—

19 (1) IN GENERAL.—To provide the loan dis-
20 charge required under subsection (a), the Secretary
21 is authorized to carry out a program—

22 (A) through the holder of the loan, to as-
23 sume the obligation to repay the qualified loan
24 amount for a loan made, insured, or guaranteed

1 under part B of title IV of the Higher Edu-
2 cation Act of 1965 (20 U.S.C. 1071 et seq.);

3 (B) to cancel the qualified loan amount for
4 a loan made under part D of title IV of the
5 Higher Education Act of 1965 (20 U.S.C.
6 1087a et seq.), or assigned, referred, or trans-
7 ferred to, or purchased by, the Secretary under
8 such title IV (20 U.S.C. 1070 et seq.), includ-
9 ing a Federal Direct Stafford Loan issued
10 under section 460B of the Higher Education
11 Act of 1965, as added by title II of this Act;
12 and

13 (C) through the institution of higher edu-
14 cation that made the loan from its student loan
15 fund established under part E of such title (20
16 U.S.C. 1087aa et seq.), to assume the obliga-
17 tion to repay the qualified loan amount for such
18 loan.

19 (2) ORDER OF LOAN DISCHARGE.—With re-
20 spect to an individual with at least 2 eligible Federal
21 loans, the Secretary shall discharge the loans of the
22 individual as follows (except as otherwise indicated
23 by the individual):

24 (A) In the case in which the individual has
25 loans with different rates of interest, the loans

1 should be discharged in descending order by
2 rate of interest.

3 (B) In the case in which the individual has
4 loans with the same rates of interest, the loans
5 should be discharged in descending order by
6 amount of outstanding principal.

7 (d) EXCLUSION FROM TAXABLE INCOME.—For pur-
8 poses of the Internal Revenue Code of 1986, in the case
9 of an individual, gross income does not include any
10 amount which (but for this subsection) would be includible
11 in gross income by reason of the discharge (in whole or
12 in part) of any loan if such discharge was pursuant to
13 this title.

14 (e) TAXPAYER INFORMATION.—

15 (1) IN GENERAL.—The Secretary of the Treas-
16 ury may, upon written request from the Secretary of
17 Education, disclose to officers and employees of the
18 Department of Education return information with
19 respect to a taxpayer who has received eligible Fed-
20 eral loans that are outstanding on the date described
21 in subsection (b)(1)(B). Such return information
22 shall be limited to—

23 (A) taxpayer identity information with re-
24 spect to such taxpayer;

25 (B) the filing status of such taxpayer; and

1 (C) the adjusted gross income of such tax-
2 payer.

3 (2) RESTRICTION ON USE OF DISCLOSED IN-
4 FORMATION.—Return information disclosed under
5 paragraph (1) may be used by officers and employ-
6 ees of the Department of Education only for the
7 purposes of, and to the extent necessary in, estab-
8 lishing the appropriate qualified loan amount of a
9 taxpayer.

10 (f) LONG-TERM SETTLE AND COMPROMISE DIS-
11 CHARGE AUTHORITY.—Not later than the date that is 24
12 months after the date of enactment of this Act, the Sec-
13 retary of Education may use the authority under sections
14 432(a)(6) and 468(2) of the Higher Education Act of
15 1965 (20 U.S.C. 1082(a)(6); 1087hh(2)) to discharge
16 loans under this section beyond the period described in
17 subsection (a) for—

18 (1) an individual who, through an appeals proc-
19 ess established by the Secretary, successfully appeals
20 a loan discharge determination by the Secretary
21 under this section;

22 (2) an individual who, due to special cir-
23 cumstances, misses a deadline established by the
24 Secretary in the administration of loan discharges
25 under this section; or

1 (3) an individual (or a group of individuals)
2 who the Secretary determines should have received a
3 loan discharge or a discharge amount that is dif-
4 ferent from the amount of loan discharge received
5 under this section, except that a loan discharge
6 amount received under this subsection may not ex-
7 ceed the qualified loan amount determined for the
8 individual (or the group of individuals) under sub-
9 section (b).

10 (g) PRIVATE STUDENT LOAN DISCHARGE.—Not
11 later than the date that is 3 months after the date of en-
12 actment of this Act, the Secretary of Education, in coordi-
13 nation with the Secretary of the Treasury and the Director
14 of the Bureau of Consumer Financial Protection, shall un-
15 dertake a campaign to alert borrowers of private education
16 loans—

17 (1) that such borrowers may be eligible to refi-
18 nance such private loans as Federal Direct Stafford
19 Loans under section 460B of the Higher Education
20 Act of 1965, as added by title II of this Act; and

21 (2) such Federal Direct Stafford Loans may be
22 eligible for loan discharge under this section.

23 (h) CREDIT REPORTING.—In the case of a borrower
24 of an eligible Federal loan that was in default prior to
25 being discharged under this section and on which, as a

1 result of such loan discharge, there is no outstanding bal-
2 ance of principal or interest, the Secretary, guaranty agen-
3 cy or other holder of the loan shall request any consumer
4 reporting agency to which the Secretary, guaranty agency
5 or holder, as applicable, reported the default of the loan,
6 to remove the record of the default from the borrower's
7 credit history.

8 (i) MEMBERS OF CONGRESS.—In this section, the
9 terms “individual” and “taxpayer” do not include a Mem-
10 ber of Congress.

11 **SEC. 102. AUTOMATIC ADMINISTRATIVE FORBEARANCE;**
12 **HALTING OF WAGE GARNISHMENT.**

13 During the period beginning on the date of enactment
14 of this Act and ending on the date that is 12 months after
15 such date of enactment, the Secretary of Education—

16 (1) shall place each borrower of an eligible Fed-
17 eral loan with an outstanding balance, without any
18 further action required by the borrower (except that
19 the borrower may opt-out of this section), on an ad-
20 ministrative forbearance during which periodic in-
21 stallments of principal need not be paid, and interest
22 shall not accrue, on such loan; and

23 (2) may not issue an order for wage garnish-
24 ment or withholding under section 488A of the
25 Higher Education Act of 1965 (20 U.S.C. 1095a) or

1 section 3720D of title 31, United States Code, ini-
2 tiate proceedings to collect debt through deductions
3 from pay under such section 488A or 3720D, or en-
4 force or otherwise require compliance with a wage
5 garnishment or withholding order issued under such
6 section 488A or 3720D before the date of enactment
7 of this Act (which shall include staying any related
8 proceedings).

9 **SEC. 103. STAYING AND PROHIBITION ON COMMENCEMENT**
10 **OF ACTIONS FOR COLLECTION.**

11 Until 12 months after the date of enactment of this
12 Act, no eligible Federal loan may be referred to the Attor-
13 ney General for any action seeking collection of any
14 amount owed on that loan and any action pending as of
15 the date of enactment of this Act shall be stayed.

16 **SEC. 104. INELIGIBILITY FOR TREASURY OFFSET.**

17 Until 12 months after the date of enactment of this
18 Act, no claim pertaining to an eligible Federal loan may
19 be certified under section 3716(c)(1) of title 31, United
20 States Code.

1 **TITLE II—REFINANCING**
2 **PROGRAMS**

3 **SEC. 201. 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 12
18 months after the date of enactment of the Student Loan
19 Debt Relief Act of 2019, the Secretary shall establish a
20 program under which the Secretary automatically refi-
21 nances loans made under this part in accordance with the
22 provisions of this section, in order to lower the rate of
23 interest on such loans.

24 “(b) REFINANCING DIRECT LOANS.—

1 “(1) FEDERAL DIRECT LOANS.—With respect
2 to each Federal Direct Stafford Loan, Federal Di-
3 rect Unsubsidized Stafford Loan, Federal Direct
4 PLUS Loan, and Federal Direct Consolidation
5 Loan, for which the first disbursement was made to
6 a borrower, or the application for the consolidation
7 loan was received from a borrower, on or before the
8 date of enactment of the Student Loan Debt Relief
9 Act of 2019, the Secretary shall, without any further
10 action by the borrower (other than under subpara-
11 graph (C))—

12 “(A) discharge the liability on such Fed-
13 eral Direct Stafford Loan, Federal Direct Un-
14 subsidized Stafford Loan, Federal Direct PLUS
15 Loan, or Federal Direct Consolidation Loan;

16 “(B) issue to the borrower a new Federal
17 Direct Stafford Loan, Federal Direct Unsub-
18 sidized Stafford Loan, Federal Direct PLUS
19 Loan, or Federal Direct Consolidation Loan, re-
20 spectively—

21 “(i) in an amount equal to the sum of
22 the unpaid principal, accrued unpaid inter-
23 est, and late charges of the loan for which
24 the liability is being discharged under sub-
25 paragraph (A); and

1 “(ii) which has the same terms and
2 conditions as the original loan, except that
3 the rate of interest shall be determined
4 under subsection (c); and

5 “(C) provide the borrower an opportunity
6 to opt-out of the refinancing under this para-
7 graph.

8 “(2) REFINANCING FFEL PROGRAM LOANS AS
9 REFINANCED FEDERAL DIRECT LOANS.—

10 “(A) IN GENERAL.—With respect to each
11 loan that was made, insured, or guaranteed
12 under part B and for which the first disburse-
13 ment was made to a borrower, or the applica-
14 tion for the consolidation loan was received
15 from a borrower, before July 1, 2010, the Sec-
16 retary shall, without any further action by the
17 borrower (other than to provide the borrower an
18 opportunity to opt-out of the refinancing under
19 this paragraph), issue to the borrower a loan
20 made under this part—

21 “(i) in an amount equal to the sum of
22 the unpaid principal, accrued unpaid inter-
23 est, and late charges of the loan selected to
24 be so refinanced;

1 “(ii) the proceeds of which shall be
2 paid to the holder of the loan selected to
3 be so refinanced to discharge the liability
4 on such loan; and

5 “(iii) which has a rate of interest de-
6 termined under subsection (c).

7 “(B) DESIGNATION OF LOANS.—A loan
8 issued under this section the proceeds of which
9 is discharging the liability on a loan made, in-
10 sured, or guaranteed—

11 “(i) under section 428 shall be a Fed-
12 eral Direct Stafford Loan;

13 “(ii) under section 428B shall be a
14 Federal Direct PLUS Loan;

15 “(iii) under section 428H shall be a
16 Federal Direct Unsubsidized Stafford
17 Loan; and

18 “(iv) under section 428C shall be a
19 Federal Direct Consolidation Loan.

20 “(c) INTEREST RATES.—

21 “(1) IN GENERAL.—The interest rate for Fed-
22 eral Direct Stafford Loans, Federal Direct Unsub-
23 sidized Stafford Loans, Federal Direct PLUS
24 Loans, and Federal Direct Consolidation Loans
25 issued under this section, shall be a rate equal to—

1 “(A) in a case in which the original loan
2 is a loan under section 428 or 428H, a Federal
3 Direct Stafford loan, or a Federal Direct Un-
4 subsidized Stafford Loan, that was issued to an
5 undergraduate student, the rate for Federal Di-
6 rect Stafford Loans and Federal Direct Unsub-
7 subsidized Stafford Loans issued to undergraduate
8 students for the 12-month period beginning on
9 July 1, 2016, and ending on June 30, 2017;

10 “(B) in a case in which the original loan
11 is a loan under section 428 or 428H, a Federal
12 Direct Stafford Loan, or a Federal Direct Un-
13 subsidized Stafford Loan, that was issued to a
14 graduate or professional student, the rate for
15 Federal Direct Unsubsidized Stafford Loans
16 issued to graduate or professional students for
17 the 12-month period beginning on July 1, 2016,
18 and ending on June 30, 2017;

19 “(C) in an case in which the original loan
20 is a loan under section 428B or a Federal Di-
21 rect PLUS Loan, the rate for Federal Direct
22 PLUS Loans for the 12-month period begin-
23 ning on July 1, 2016, and ending on June 30,
24 2017; and

1 “(D) in a case in which the original loan
2 is a loan under section 428C or a Federal Di-
3 rect Consolidation Loan, a rate calculated in ac-
4 cordance with paragraph (2).

5 “(2) INTEREST RATES FOR CONSOLIDATION
6 LOANS.—

7 “(A) METHOD OF CALCULATION.—To de-
8 termine the interest rate for a Federal Direct
9 Federal Consolidation Loan issued under this
10 section, the Secretary shall—

11 “(i) determine each original loan for
12 which the liability was discharged by the
13 proceeds of a loan under section 428C or
14 a Federal Direct Consolidation Loan, and
15 calculate the proportion of the unpaid prin-
16 cipal balance of the loan under section
17 428C or the Federal Direct Consolidation
18 Loan that is applicable to each such origi-
19 nal loan;

20 “(ii) use the proportions determined
21 in accordance with clause (i) and the inter-
22 est rate applicable for each original loan,
23 as determined under subparagraph (B), to
24 calculate the weighted average of the inter-
25 est rates on the loans consolidated into the

1 loan under section 428C or the Federal Di-
2 rect Consolidation Loan; and

3 “(iii) apply the weighted average cal-
4 culated under clause (ii) as the interest
5 rate for the Federal Direct Consolidation
6 Loan made under this section and for
7 which the interest rate is being determined
8 under this paragraph.

9 “(B) INTEREST RATES FOR COMPONENT
10 LOANS.—The interest rate for each original
11 loan for which the liability is discharged by the
12 proceeds of loan made under section 428C or a
13 Federal Direct Consolidation Loan shall be the
14 following:

15 “(i) The interest rate for any such
16 original loan made, insured or guaranteed
17 under section 428 or 428H, or that is a
18 Federal Direct Stafford Loan or Federal
19 Direct Unsubsidized Stafford Loan, issued
20 to an undergraduate student shall be a
21 rate equal to the lesser of—

22 “(I) the rate for Federal Direct
23 Stafford Loans and Federal Direct
24 Unsubsidized Stafford Loans issued
25 to undergraduate students for the 12-

1 month period beginning on July 1,
2 2016, and ending on June 30, 2017;
3 or

4 “(II) the interest rate on such
5 original loan.

6 “(ii) The interest rate for any such
7 original loan made, insured or guaranteed
8 under section 428 or 428H, or that is a
9 Federal Direct Stafford Loan, or Federal
10 Direct Unsubsidized Stafford Loan, issued
11 to a graduate or professional student shall
12 be a rate equal to the lesser of—

13 “(I) the rate for Federal Direct
14 Unsubsidized Stafford Loans issued
15 to graduate or professional students
16 for the 12-month period beginning on
17 July 1, 2016, and ending on June 30,
18 2017; or

19 “(II) the interest rate on the
20 original loan.

21 “(iii) The interest rate for any such
22 original loan made, insured or guaranteed
23 under section 428B or that is a Federal
24 Direct PLUS Loan shall be a rate equal to
25 the lesser of—

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

5 “(II) the interest rate on the
6 original loan.

7 “(iv) The interest rate for any such
8 original loan that is a loan under section
9 428C or a Federal Direct Consolidation
10 Loan shall be the weighted average of the
11 interest rates determined under this sub-
12 paragraph for each loan for which the li-
13 ability is discharged by the proceeds of
14 such consolidation loan.

15 “(v) The interest rate for any original
16 loan for which the liability was discharged
17 with the proceeds of a loan made under
18 section 428C or a Federal Direct Consoli-
19 dation Loan and is not described in clauses
20 (i) through (iv) shall be the interest rate
21 on such original loan.

22 “(3) FIXED RATE.—The applicable rate of in-
23 terest determined under paragraph (1) for a loan
24 issued under this section shall be fixed for the period
25 of the loan.

1 “(d) REPAYMENT PERIODS.—A loan issued under
2 this section shall not result in the extension of the dura-
3 tion of the repayment period of the original loan, and the
4 borrower shall retain the same repayment term that was
5 in effect on the original loan. Nothing in this paragraph
6 shall be construed to prevent a borrower from electing a
7 different repayment plan at any time in accordance with
8 section 455(d)(3).

9 “(e) ORIGINAL LOAN DEFINED.—In this section, the
10 term ‘original loan’ means a loan for which the liability
11 is discharged with the proceeds of a loan issued under this
12 section.

13 **“SEC. 460B. REFINANCING OF PRIVATE EDUCATION LOANS.**

14 “(a) PROGRAM AUTHORIZED.—

15 “(1) IN GENERAL.—During the period begin-
16 ning on the date that is 6 months after the date of
17 enactment of the Student Loan Debt Relief Act of
18 2019, and ending on the date that is 9 months after
19 such date of enactment, the Secretary, in consulta-
20 tion with the Secretary of the Treasury, shall carry
21 out a program under which the Secretary, upon re-
22 ceiving an application from a borrower who has a
23 loan obligation on an eligible private education loan,
24 shall issue such borrower a loan under this section
25 in accordance with the following:

1 “(A) The loan issued under this section
2 shall be in an amount equal to the sum of the
3 unpaid principal, accrued unpaid interest, and
4 late charges of the private education loan.

5 “(B) The Secretary shall pay the proceeds
6 of the loan issued under this section to the pri-
7 vate educational lender (or subsequent holder)
8 of the private education loan, in order to dis-
9 charge the borrower and any cosigners from
10 any remaining obligation to the lender with re-
11 spect to the private education loan.

12 “(C) The Secretary shall require that the
13 borrower undergo loan counseling that provides
14 all of the information and counseling required
15 under clauses (i) through (viii) of section
16 485(b)(1)(A) before the carrying out subpara-
17 graphs (A) and (B) with respect to such bor-
18 rower.

19 “(D) The Secretary shall issue the loan as
20 a Federal Direct Stafford Loan with a rate of
21 interest determined under subsection (b).

22 “(b) INTEREST RATE.—

23 “(1) IN GENERAL.—The interest rate for a
24 Federal Direct Stafford Loan issued under this sec-
25 tion shall be—

1 “(A) in the case of a Federal Direct Staf-
2 ford Loan discharging the liability on a private
3 education loan issued for undergraduate post-
4 secondary educational expenses, a rate equal to
5 the rate for Federal Direct Stafford Loans and
6 Federal Direct Unsubsidized Stafford Loans
7 issued to undergraduate students for the 12-
8 month period beginning on July 1, 2016, and
9 ending on June 30, 2017; and

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

19 “(2) COMBINED UNDERGRADUATE AND GRAD-
20 UATE STUDY LOANS.—In the case of a Federal Di-
21 rect Stafford Loan discharging the liability on a pri-
22 vate education loan issued for both undergraduate
23 and graduate or professional postsecondary edu-
24 cational expenses, the interest rate shall be a rate
25 equal to the rate for Federal Direct PLUS Loans

1 for the 12-month period beginning on July 1, 2016,
2 and ending on June 30, 2017.

3 “(3) FIXED RATE.—The applicable rate of in-
4 terest determined under this subsection for a Fed-
5 eral Direct Stafford Loan issued under this section
6 shall be fixed for the period of the loan.

7 “(c) NO INCLUSION IN AGGREGATE LIMITS.—The
8 amount of a Federal Direct Stafford Loan issued under
9 this section, or a Federal Direct Consolidated Loan to the
10 extent such loan is used to repay such a Federal Direct
11 Stafford Loan, shall not be included in calculating a bor-
12 rower’s annual or aggregate loan limits under section 428
13 or 428H.

14 “(d) PRIVATE EDUCATIONAL LENDER REPORTING
15 REQUIREMENT.—

16 “(1) REPORTING REQUIRED.—Not later than 6
17 months after the date of enactment of the Student
18 Loan Debt Relief Act of 2019, the Secretary, in con-
19 sultation with the Secretary of the Treasury and the
20 Director of the Bureau of Consumer Financial Pro-
21 tection, shall establish a requirement that private
22 educational lenders report the data described in
23 paragraph (2) to the Secretary, to Congress, to the
24 Secretary of the Treasury, and to the Director of the
25 Bureau of Consumer Financial Protection, in order

1 to allow for an assessment of the private education
2 loan market.

3 “(2) CONTENTS OF REPORTING.—The data
4 that private educational lenders shall report in ac-
5 cordance with paragraph (1) shall include each of
6 the following about private education loans (as de-
7 fined in section 140(a) of the Truth in Lending Act
8 (15 U.S.C. 1650(a))):

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

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

13 “(C) The average interest rate on the out-
14 standing private education loan debt held by the
15 lender.

16 “(D) The proportion of private education
17 loan borrowers who are in default on a loan
18 held by the lender.

19 “(E) The proportion of the outstanding
20 private education loan volume held by the lend-
21 er that is in default.

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

1 “(G) The proportions of outstanding pri-
2 vate education loan volume that is 30, 60, and
3 90 days delinquent.

4 “(e) SUNSET.—The authority to issue loans under
5 this section shall expire on the date that is 8 months after
6 the date of enactment of the Student Loan Debt Relief
7 Act of 2019.

8 “(f) DEFINITIONS.—In this section:

9 “(1) PRIVATE EDUCATIONAL LENDER.—The
10 term ‘private educational lender’ has the meaning
11 given the term in section 140(a) of the Truth in
12 Lending Act (15 U.S.C. 1650(a)).

13 “(2) ELIGIBLE PRIVATE EDUCATION LOAN.—
14 The term ‘eligible private education loan’ means a
15 private education loan, as defined in section 140(a)
16 of the Truth in Lending Act (15 U.S.C. 1650(a)),
17 that—

18 “(A) was disbursed to the borrower on or
19 before the date of enactment of the Student
20 Loan Debt Relief Act of 2019; and

21 “(B) was for the borrower’s own postsec-
22 ondary educational expenses for an eligible pro-
23 gram at an institution of higher education par-
24 ticipating in the loan program under this part,
25 as of the date that the loan was disbursed.”.

1 (c) INCOME-CONTINGENT REPAYMENT.—Section
2 455(d)(1)(D) of the Higher Education Act of 1965 (20
3 U.S.C. 1087e(d)(1)(D)) is amended by inserting before
4 the semicolon at the end the following: “, and in calcu-
5 lating the period of time during which a borrower of a
6 loan issued under section 460A has made monthly pay-
7 ments on such loan for purposes of the plan described in
8 this subparagraph, the Secretary shall treat each monthly
9 payment that otherwise meets the requirements of such
10 plan and that was made on a loan for which the liability
11 is discharged by the proceeds of such loan issued under
12 section 460A, as a monthly payment made on such loan
13 issued under section 460A”.

14 (d) PUBLIC SERVICE LOAN FORGIVENESS.—Section
15 455(m) of the Higher Education Act of 1965 (20 U.S.C.
16 1087e(m)) is amended—

17 (1) by redesignating paragraphs (3) and (4) as
18 paragraphs (4) and (5), respectively; and

19 (2) by inserting after paragraph (2) the fol-
20 lowing:

21 “(3) TREATMENT OF LOANS ISSUED UNDER
22 SECTION 460A.—Notwithstanding paragraph (1), in
23 determining the number of monthly payments made
24 under paragraph (1) on an eligible Federal Direct
25 Loan issued under section 460A the proceeds of

1 which discharges the liability on a loan made under
2 this part, the Secretary shall treat each monthly
3 payment made under paragraph (1) on the loan be-
4 fore the liability on such loan was so discharged as
5 a monthly payment made on such eligible Federal
6 Direct Loan.”;

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

10 “(f) TREATMENT OF REFINANCED LOANS.—In cal-
11 culating the period of time during which a borrower of
12 a loan issued under section 460A has made monthly pay-
13 ments on such loan for purposes of subsection (b)(7), the
14 Secretary shall treat each monthly payment that otherwise
15 meets the requirements of this section and that was made
16 on a loan for which the liability is discharged by the pro-
17 ceeds of such loan issued under section 460A, as a month-
18 ly payment made on such loan issued under section
19 460A.”.

1 **TITLE III—DISCHARGEABILITY**
2 **OF STUDENT LOANS IN BANK-**
3 **RUPTCY**

4 **SEC. 301. DISCHARGEABILITY OF STUDENT LOANS IN**
5 **BANKRUPTCY.**

6 (1) EXCEPTION TO DISCHARGE.—Section
7 523(a) of title 11 of the United States Code is
8 amended by striking paragraph (8).

9 (2) CONFORMING AMENDMENT.—Section
10 1328(a)(2) of title 11 of the United States Code is
11 amended by striking “(8),”.

12 **TITLE IV—GENERAL**
13 **PROVISIONS**

14 **SEC. 401. REPORT ON PROGRESS OF IMPLEMENTATION.**

15 Not later than the date that is 6 months after the
16 date of enactment of this Act, the Secretary of Education
17 and the Secretary of the Treasury shall, jointly, submit
18 to Congress a report on the progress of the implementa-
19 tion of the provisions of titles I and II.

20 **SEC. 402. NOTIFICATION TO BORROWERS.**

21 (a) IN GENERAL.—Not later than the date that is
22 3 months after the date of enactment of this Act—

23 (1) the Secretary of Education—

24 (A) shall take such steps as may be nec-
25 essary to notify borrowers of an eligible Federal

1 loan of the loan discharge available under title
2 I, including the applicable deadlines;

3 (B) in coordination with the Secretary of
4 the Treasury and the Director of the Bureau of
5 Consumer Financial Protection, shall undertake
6 a campaign to notify borrowers of loans made,
7 insured, or guaranteed under part B or D of
8 title IV of the Higher Education Act of 1965
9 that such borrowers may be eligible to refinance
10 such loans at a lower rate of interest under sec-
11 tion 460A of the Higher Education Act of
12 1965, as added by title II of this Act, which
13 campaign shall include—

14 (i) developing consumer information
15 materials about the availability of such re-
16 financing; and

17 (ii) requiring servicers of such loans
18 to provide such consumer information to
19 borrowers in a manner determined appro-
20 priate by the Secretary, in consultation
21 with the Director of the Bureau of Con-
22 sumer Financial Protection; and

23 (C) in coordination with the Secretary of
24 the Treasury and the Director of the Bureau of
25 Consumer Financial Protection, shall undertake

1 a campaign to alert borrowers of private edu-
2 cation loans—

3 (i) that such borrowers may be eligible
4 to refinance such private loans as Federal
5 Direct Stafford Loans under section 460B
6 of the Higher Education Act of 1965, as
7 added by title II of this Act; and

8 (ii) such Federal Direct Stafford
9 Loans may be eligible for loan discharge
10 under title I of this Act; and

11 (2) the Secretary of Health and Human Serv-
12 ices, in consultation with the Secretary of Edu-
13 cation, shall take such steps as may be necessary to
14 inform borrowers of a loan made, insured, or guar-
15 anteed by the Department of Health and Human
16 Services that is eligible for consolidation under sec-
17 tion 455(g) of the Higher Education Act of 1965
18 (20 U.S.C. 1087e(g)), that the—

19 (A) borrower may be eligible for a Federal
20 Direct Consolidation Loan under such section
21 455(g); and

22 (B) such Federal Direct Consolidation
23 Loan may be eligible for loan discharge under
24 title I of this Act.

1 (b) NOTIFICATION BY PRIVATE EDUCATION LOAN
2 HOLDERS.—Each holder of a private education loan shall,
3 not later than the date that is 3 months after the date
4 of enactment of this Act, notify the borrower of such pri-
5 vate education loan that the borrower may be eligible to
6 refinance the private education loan as a Federal Direct
7 Stafford Loan under section 460B of the Higher Edu-
8 cation Act of 1965, and such Federal Direct Stafford
9 Loan may be eligible for loan discharge under title I of
10 this Act.

11 **SEC. 403. INAPPLICABILITY OF TITLE IV NEGOTIATED**
12 **RULEMAKING AND MASTER CALENDAR EX-**
13 **CEPTION.**

14 Sections 482(c) and 492 of the Higher Education Act
15 of 1965 (20 U.S.C. 1089(c), 1098a) shall not apply to
16 this Act or any amendments made by this Act, or to any
17 regulations promulgated under this Act or under such
18 amendments.

19 **SEC. 404. DEFINITIONS.**

20 In this Act:

21 (1) **ELIGIBLE FEDERAL LOAN.**—The term “eli-
22 gible Federal loan” means—

23 (A) a loan made, insured, or guaranteed
24 under title IV of the Higher Education Act of
25 1965 (20 U.S.C. 1071 et seq.) (other than a

1 loan described in subparagraph (B)) on or be-
2 fore the date of enactment of this Act; or

3 (B) a Federal Direct Stafford Loan issued
4 under section 460B of the Higher Education
5 Act of 1965, as added by title II of this Act,
6 on a date that is not later than 9 months after
7 the date of enactment of this Act.

8 (2) PRIVATE EDUCATION LOAN.—The term
9 “private education loan” has the meaning given such
10 term in section 140(a) of the Truth in Lending Act
11 (15 U.S.C. 1650(a)).

12 (3) SECRETARY.—The term “Secretary” means
13 the Secretary of Education.

14 (4) TAXPAYER.—The term “taxpayer” has the
15 meaning given such term in section 7701 of the In-
16 ternal Revenue Code of 1986.

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