

116TH CONGRESS
1ST SESSION

H. R. 4749

To provide temporary authority to the Secretary of Education to reissue certain student loans to reduce interest rates paid by borrowers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 18, 2019

Mr. CLAY introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To provide temporary authority to the Secretary of Education to reissue certain student loans to reduce interest rates paid by 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Student Loan Relief
5 Act of 2019”.

1 **SEC. 2. TEMPORARY AUTHORITY TO REDUCE STUDENT**
2 **LOAN INTEREST RATES.**

3 Part D of title IV of the Higher Education Act of
4 1965 (20 U.S.C. 1087a et seq.) is amended by inserting
5 after section 459B the following new section:

6 **“SEC. 459C. TEMPORARY AUTHORITY TO REISSUE STUDENT**
7 **LOANS TO REDUCE INTEREST RATES.**

8 “(a) TEMPORARY AUTHORITY TO REISSUE STUDENT
9 LOANS TO REDUCE INTEREST RATES.—Notwithstanding
10 section 455(b)(9)(C) or any other provision of this Act,
11 for the 10-year period beginning on the date of enactment
12 of the Student Loan Relief Act of 2019, the Secretary is
13 authorized to reissue a loan which was made under this
14 part on or after the date that was 20 years before the
15 date of enactment of the Student Loan Relief Act of 2019,
16 and before the date that is 10 years after such date of
17 enactment, in order to permit the borrower to obtain a
18 reduced interest rate in accordance with this section.

19 “(b) ELIGIBILITY.—

20 “(1) IN GENERAL.—The Secretary shall reissue
21 a loan under this section for a borrower who—

22 “(A) has an outstanding balance on one or
23 more loans made under this part; and

24 “(B) submits to the Secretary, at such
25 time and in such manner as the Secretary may
26 require, a completed application for the loan to

1 be reissued with an interest rate reduction in
2 accordance with this section.

3 “(2) LIMITATION.—If a borrower has been con-
4 victed of, or has pled nolo contendere or guilty to,
5 a crime involving fraud in obtaining funds under
6 this title, the borrower shall not be eligible to have
7 a loan reissued under this section unless the bor-
8 rower has completed the repayment of such funds to
9 the Secretary, or to the holder in the case of a loan
10 under this title obtained by fraud.

11 “(c) REDUCED INTEREST RATE.—For each loan re-
12 issued by the Secretary under this section on or after the
13 date of enactment of the Student Loan Relief Act of 2019,
14 and before the date that is 10 years after such date of
15 enactment, the applicable rate of interest shall, for loans
16 reissued during any 12-month period beginning on July
17 1 and ending on June 30, be determined on the preceding
18 June 1 and be a rate equal to the high yield of the 10-
19 year Treasury note auctioned at the final auction held
20 prior to such June 1.

21 “(d) TERMS OF REISSUANCE.—A loan reissued by
22 the Secretary under this section shall—

23 “(1) have the same terms (other than applicable
24 rate of interest) as the terms of the loan before
25 reissuance, including the terms related to eligibility

1 for consolidation of such loan in accordance with
2 this title;

3 “(2) have an applicable reduced rate of interest
4 on the loan calculated in accordance with subsection
5 (c), and such rate shall be fixed for the remaining
6 period of the loan;

7 “(3) not require the execution of a new promis-
8 sory note and shall not result in the extension of the
9 duration of the note; and

10 “(4) not be reissued more than one time under
11 this section.

12 “(e) DUTIES OF THE SECRETARY.—As soon as prac-
13 ticable after the date of enactment of the Student Loan
14 Relief Act of 2019, the Secretary shall take such steps
15 as may be necessary to—

16 “(1) notify borrowers of the availability of the
17 program authorized under this section, and the ter-
18 mination date for such program; and

19 “(2) allow borrowers to easily determine wheth-
20 er reissuance of a loan under this section will reduce
21 the interest rates and overall costs of the out-
22 standing loans of the borrower, before the borrower
23 applies for such reissuance.”.

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