

116TH CONGRESS
2D SESSION

H. R. 8835

To amend the Higher Education Act of 1965 to provide for a relocation and retention student loan repayment program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 2, 2020

Ms. FINKENAUER (for herself and Mr. DELGADO) introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committee on Ways and Means, 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 amend the Higher Education Act of 1965 to provide for a relocation and retention student loan repayment program, 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 “Rural Revitalization
5 Now Act”.

1 **SEC. 2. RELOCATION AND RETENTION STUDENT LOAN PRO-**
2 **GRAM.**

3 Section 455 of the Higher Education Act of 1965 (20
4 U.S.C. 1087e) is amended by adding at the end the fol-
5 lowing:

6 “(r) RELOCATION AND RETENTION STUDENT LOAN
7 REPAYMENT PROGRAM.—

8 “(1) IN GENERAL.—

9 “(A) ENROLLED LOAN AMOUNT.—A bor-
10 rower may elect to enroll any combination of
11 principal and accrued interest that has not been
12 capitalized on eligible loans not in default as an
13 enrolled loan balance under the program under
14 this subsection in an amount that is equal to—

15 “(i) an amount agreed to by the bor-
16 rower, Secretary, and sponsoring entity (or
17 a combination of such sponsoring entities);
18 and

19 “(ii) except as provided in paragraph
20 (3)(B)(ii), the lesser of the following:

21 “(I) \$50,000.

22 “(II) The total amount of eligible
23 loans of such borrower.

24 “(B) CANCELLATION OR REPAYMENT RE-
25 QUIRED.—The Secretary shall cancel or repay
26 an amount determined under paragraph (2)(A)

1 of the balance due on any enrolled loan balance
2 not in default for a borrower who—

3 “(i) has maintained residence in a
4 qualifying area during a 12-month period
5 and such borrower attests that such resi-
6 dence is a primary residence; and

7 “(ii) demonstrates to the Secretary in
8 the agreement under paragraph (2)(A)
9 that a sponsoring entity certified in accord-
10 ance with paragraph (3)(A) (or a combina-
11 tion of such sponsoring entities) will, ex-
12 cept as provided in paragraph (3)(B)(ii),
13 match the amounts cancelled or repaid by
14 the Secretary as payments made by such
15 sponsoring entity (or a combination of
16 such sponsoring entities) towards the re-
17 payment of the enrolled loan balance.

18 “(C) CERTIFICATION.—The Secretary shall
19 establish a user-friendly, simplified, and elec-
20 tronic process using the online portal required
21 under paragraph (5)(B) through which a bor-
22 rower who makes an election to enroll eligible
23 loans into an enrolled loan balance under sub-
24 paragraph (A) shall annually certify enrollment
25 in the program under this subsection.

1 “(D) NO PAYMENTS REQUIRED BY BOR-
2 ROWER.—A borrower may not be required to
3 make payments with respect to the enrolled
4 loan balance (or payments on the interest that
5 accrues on the total amount of such enrolled
6 loan balance) during any 12-month period in
7 which the borrower is enrolled in the program
8 under this subsection.

9 “(2) SCHEDULE.—

10 “(A) AGREEMENT.—Subject to subpara-
11 graph (B), the Secretary shall enter into an
12 agreement with a borrower and sponsoring enti-
13 ty (or a combination of such sponsoring enti-
14 ties) to cancel or repay an amount with respect
15 to each 12-month period described under para-
16 graph (1)(B)(i) such that over the period of 96
17 months the total amount of cancellation under
18 paragraph (1) is equal to an amount that, ex-
19 cept as provided in paragraph (3)(B)(ii), is
20 equal to the lesser of the following:

21 “(i) \$25,000 toward the enrolled loan
22 balance, plus the interest that accrues on
23 the total amount of the enrolled loan bal-
24 ance under paragraph (1)(A).

1 “(ii) Half of the total amount of the
2 enrolled loan balance, plus the interest that
3 accrues on the total amount of the enrolled
4 loan balance under paragraph (1)(A).

5 “(B) INCREASED CANCELLATION AMOUNTS
6 OVER TIME.—The Secretary shall establish a
7 standardized cancellation or repayment schedule
8 for purposes of the program under this sub-
9 section such that over the course of 8 cancella-
10 tions or repayments of the enrolled loan balance
11 under paragraph (1), the total amount can-
12 celled or repaid with respect to each 12-month
13 period increases.

14 “(C) NUMBER OF CANCELLATIONS.—A
15 borrower—

16 “(i) may receive during a 12-month
17 period for which the borrower is certified
18 not more than one cancellation or repay-
19 ment under paragraph (1); and

20 “(ii) may not receive more than 8
21 such cancellations or repayments.

22 “(D) PROHIBITION ON PRESSURING BOR-
23 ROWERS.—

24 “(i) IN GENERAL.—A private edu-
25 cation loan debt collector or creditor may

1 not pressure a borrower of a private loan
2 to elect to apply any amount received pur-
3 suant to paragraph (1) to any private edu-
4 cation loan.

5 “(ii) VIOLATIONS.—A violation of this
6 subparagraph is deemed—

7 “(I) an unfair, deceptive, or abu-
8 sive act or practice under Federal law
9 in connection with any transaction
10 with a consumer for a consumer fi-
11 nancial product or service under sec-
12 tion 1031 of the Consumer Financial
13 Protection Act of 2010 (12 U.S.C.
14 5531); and

15 “(II) with respect to a violation
16 by a debt collector, an unfair or un-
17 conscionable means to collect or at-
18 tempt to collect any debt under sec-
19 tion 808 of the Federal Debt Collec-
20 tion Practices Act (15 U.S.C. 1692f).

21 “(iii) PRESSURE DEFINED.—In this
22 subparagraph, the term ‘pressure’ means
23 any communication, recommendation, or
24 other similar communication, other than
25 providing basic information about a bor-

1 rower’s options, urging a borrower to make
2 an election described in clause (i).

3 “(E) UNENROLLMENT.—A borrower who
4 no longer resides in a qualifying area after re-
5 ceiving a cancellation or repayment under this
6 subsection shall be unenrolled from the program
7 under this subsection and the remaining en-
8 rolled loan balance of such borrower shall be in-
9 cluded in the eligible loans from which such en-
10 rolled loan balance derived. Such unenrollment
11 shall not preclude a borrower from enrolling the
12 eligible loans of the borrower into an appro-
13 priate loan forgiveness or repayment program,
14 including such a program in which the borrower
15 is, at the time of such unenrollment, already en-
16 rolled or participating in.

17 “(F) REGULATIONS.—The Secretary shall
18 issue such regulations as are necessary to allow
19 borrowers to concurrently enroll in the program
20 under this subsection with respect to an en-
21 rolled loan balance and a loan forgiveness or re-
22 payment program with respect to the other eli-
23 gible loans of the borrower not so enrolled. In
24 the case of a borrower described in subpara-
25 graph (E), the Secretary shall establish through

1 regulation a process by which the remaining en-
2 rolled loan balance of such borrower is included
3 in to the eligible loans from which such enrolled
4 loan balance derived and may be enrolled in an
5 appropriate loan forgiveness or repayment pro-
6 gram if the borrower would otherwise be eligible
7 for such program.

8 “(3) SPONSORING ENTITIES.—

9 “(A) IN GENERAL.—The Secretary, in con-
10 sultation with the Secretary of Commerce and
11 the Secretary of Labor, shall carry out a pro-
12 gram to certify States, counties, localities, terri-
13 tories, Tribes, nonprofit entities, and qualifying
14 partnerships that are able to provide funding to
15 borrowers for purposes of this subsection. Such
16 program shall include standard requirements
17 relating to the treatment of default by a spon-
18 soring entity and the ability of a sponsoring en-
19 tity to be certified or recertified after such a de-
20 fault.

21 “(B) MATCHING FUNDS.—

22 “(i) IN GENERAL.—Except as pro-
23 vided in clause (ii), a sponsoring entity (or
24 a combination of such sponsoring entities)
25 shall match (except with respect to the in-

1 terest that accrues on the total amount of
2 the enrolled loan balance under paragraph
3 (1)(A)) the amounts cancelled or repaid by
4 the Secretary under paragraph (1) as pay-
5 ments made by such sponsoring entity to-
6 wards the repayment of the enrolled loan
7 balance.

8 “(ii) EXCEPTIONS.—

9 “(I) EXTREME FINANCIAL HARD-
10 SHIP.—In the case of a sponsoring en-
11 tity (or a combination of such spon-
12 soring entities) with an extreme finan-
13 cial hardship that demonstrates such
14 hardship to the Secretary, through a
15 process determined by the Secretary,
16 the sponsoring entity and the Sec-
17 retary may agree to match amounts
18 such that the total amount repaid or
19 cancelled under this subsection is less
20 than the amount described in para-
21 graph (1)(A), so long as the total
22 amount repaid with respect to each
23 12-month period increases.

24 “(II) ADDITIONAL PAYMENTS.—

25 A sponsoring entity (or a combination

1 of such sponsoring entities) may pro-
2 vide more than the match required
3 under clause (i) if the Secretary deter-
4 mines that, over the course of pro-
5 viding more than the matching
6 amount of the repayments or cancella-
7 tions under paragraph (1), the total
8 amount repaid by such sponsoring en-
9 tity with respect to each 12-month pe-
10 riod increases.

11 “(iii) INTEREST.—The Secretary shall
12 cancel or repay the interest that accrues on
13 the total amount of the enrolled loan bal-
14 ance under paragraph (1)(A), regardless of
15 whether an exception under clause (ii) ap-
16 plies with respect to such an enrolled loan
17 balance.

18 “(C) DEFAULT.—In the case of a borrower
19 for which a sponsoring entity (or a combination
20 of such sponsoring entities) offers to provide
21 loan cancellation or repayment under this sub-
22 section and subsequently defaults on such offer,
23 such borrower may not be held responsible for
24 repayment of the amount such sponsoring enti-

1 ty (or a combination of such sponsoring enti-
2 ties) offered to provide such borrower.

3 “(D) RULES OF CONSTRUCTION.—Nothing
4 in this subsection shall preclude—

5 “(i) the Secretary from establishing a
6 process to financially assist a sponsoring
7 entity (or a combination of such spon-
8 soring entities) that defaults on loan can-
9 cellation or repayment (as described in
10 subparagraph (C)) so long as such process
11 does not hold a borrower responsible for
12 any repayments with respect to such a de-
13 fault; or

14 “(ii) a sponsoring entity (or a com-
15 bination of such sponsoring entities) from
16 establishing reciprocal agreements, part-
17 nering, collaborating, or otherwise coordi-
18 nating with other sponsoring entities to
19 provide matching funds as required under
20 subparagraph (B)(i) and avoid default.

21 “(E) GUIDANCE.—The Secretary shall
22 issue guidance to assist sponsoring entities (or
23 a combination of such sponsoring entities) with
24 establishing preference and developing criteria
25 to select borrowers for sponsorship under this

1 subsection and to select borrowers to receive ad-
2 ditional payments under subparagraph
3 (B)(ii)(II).

4 “(4) TAX TREATMENT OF CANCELLED OR RE-
5 PAID AMOUNTS.—For purpose of the Internal Rev-
6 enue Code of 1986, no amount shall be included in
7 any person’s gross income by reason of the discharge
8 under this subsection of any indebtedness.

9 “(5) DEPARTMENT ACTIVITIES.—

10 “(A) INFORMATION FOR BORROWERS.—
11 The Secretary shall establish on the public
12 website of the Department of Education, and
13 periodically update—

14 “(i) a list of qualifying areas;

15 “(ii) a list of sponsoring entities cer-
16 tified under paragraph (3)(A) available
17 with respect to such qualifying areas; and

18 “(iii) contact information for such
19 sponsoring entities.

20 “(B) ONLINE PORTAL.—The Secretary
21 shall establish an online portal through the pub-
22 lic website of the Department of Education for
23 borrowers to—

24 “(i) certify enrollment in the program
25 under this section;

1 “(ii) check the status of an enrollment
2 certification under this section and the
3 deadlines with respect to such certifi-
4 cations;

5 “(iii) check the enrollment status of
6 such borrower with respect to the program
7 under this section; and

8 “(iv) view the amount of assistance
9 the borrower has received or will receive
10 with respect to the enrolled loan balance of
11 the borrower and the dates on which such
12 amounts were received or will be received.

13 “(C) OUTREACH.—The Secretary shall de-
14 velop and implement an outreach plan to no-
15 tify—

16 “(i) potential sponsoring entities of
17 the certification process under paragraph
18 (3)(A);

19 “(ii) sponsoring entities of recertifi-
20 cation requirements under this subsection;
21 and

22 “(iii) borrowers (including prospective
23 borrowers) of eligible loans of the program
24 under this subsection, including the bene-
25 fits of such program and how to meet the

1 requirements to participate in such pro-
2 gram.

3 “(6) DEFINITIONS.—In this subsection:

4 “(A) ELIGIBLE LOAN.—The term ‘eligible
5 loan’ means a Federal Direct Stafford Loan,
6 Federal Direct PLUS Loan, or Federal Direct
7 Unsubsidized Stafford Loan, a Federal Direct
8 Consolidation Loan, Federal Family Education
9 Loan, Federal Perkins Loan, or a private edu-
10 cation loan.

11 “(B) PRIVATE EDUCATION LOAN.—The
12 term ‘private education loan’ has the meaning
13 given the term in section 140 of the Truth in
14 Lending Act (15 U.S.C. 1650).

15 “(C) QUALIFYING AREA.—The term ‘quali-
16 fying area’ means—

17 “(i) any city or town which has a pop-
18 ulation of less than 20,000 inhabitants
19 other than a city or town in a densely set-
20 tled area or adjacent to, or closely associ-
21 ated with, one or more cities or towns
22 which, considered collectively, do not meet
23 the criteria of this subparagraph;

24 “(ii) any city or town which has a
25 population of greater than or equal to

1 20,000 inhabitants and less than 100,000
2 inhabitants that with respect to which,
3 during the most recent 10-year period, the
4 net population loss from the area equals or
5 exceeds 0 percent of the population of the
6 area other than a city or town in a densely
7 settled area or adjacent to, or closely asso-
8 ciated with, one or more cities or towns
9 which, considered collectively, do not meet
10 the criteria of this subparagraph;

11 “(iii) any city or town which has a
12 population of greater than or equal to
13 100,000 inhabitants and less than 150,000
14 inhabitants that—

15 “(I) with respect to which, dur-
16 ing the most recent 10-year period,
17 the net population loss from the area
18 equals or exceeds 0 percent of the
19 population of the area;

20 “(II) the Secretary of Education,
21 in consultation with the Secretary of
22 Commerce, determines would economi-
23 cally benefit from serving as a quali-
24 fying geographic area; and

1 “(III) is not in a densely settled
2 area or adjacent to, or closely associ-
3 ated with, one or more cities or towns
4 which, considered collectively, do not
5 meet the criteria of this subpara-
6 graph; or

7 “(iv) any city or town not described in
8 clauses (i) through (iii) which has a popu-
9 lation of less than 300,000 inhabitants—

10 “(I) that is included in a major
11 disaster declared by the President
12 under section 401 of the Robert T.
13 Stafford Disaster Relief and Emer-
14 gency Assistance Act (42 U.S.C.
15 5170) (not including the major dis-
16 aster declared by reason of the novel
17 coronavirus (COVID-19)) during the
18 five-year period preceding the date on
19 which a borrower is enrolled in the
20 program under this subsection;

21 “(II) that—

22 “(aa) the Secretary of Edu-
23 cation, in consultation with the
24 Secretary of Commerce, deter-
25 mines would economically benefit

1 from serving as a qualifying geo-
2 graphic area; or

3 “(bb) the Secretary of Edu-
4 cation, in consultation with the
5 Secretary of Commerce and the
6 Secretary of Housing and Urban
7 Development, determines would
8 support community recovery by
9 serving as a qualifying geo-
10 graphic area; and

11 “(III) is not adjacent to, or close-
12 ly associated with, one or more cities
13 or towns which, considered collec-
14 tively, do not meet the criteria of this
15 subparagraph.

16 “(D) FAIR DEBT COLLECTION PRACTICES
17 ACT TERMS.—The terms ‘creditor’ and ‘debt
18 collector’ have the meaning given those terms,
19 respectively, under section 803 of the Fair Debt
20 Collection Practices Act (15 U.S.C. 1692a).”.

○