

116TH CONGRESS  
1ST SESSION

# S. 1489

To amend the Higher Education Act of 1965 to authorize borrowers to separate joint consolidation loans.

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IN THE SENATE OF THE UNITED STATES

MAY 15, 2019

Mr. WARNER (for himself, Mr. RUBIO, and Mr. CORNYN) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To amend the Higher Education Act of 1965 to authorize borrowers to separate joint consolidation loans.

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 “Joint Consolidation  
5 Loan Separation Act”.

6 **SEC. 2. SEPARATING JOINT CONSOLIDATION LOANS.**

7 (a) IN GENERAL.—Section 455(g) of the Higher  
8 Education Act of 1965 (20 U.S.C. 1087e(g)) is amend-  
9 ed—

1 (1) by striking “A borrower” and inserting the  
2 following:

3 “(1) IN GENERAL.—A borrower”; and

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

5 “(2) SEPARATING JOINT CONSOLIDATION  
6 LOANS.—

7 “(A) IN GENERAL.—A married couple, or  
8 2 individuals who were previously a married  
9 couple, and who received a joint consolidation  
10 loan as such married couple under subpara-  
11 graph (C) of section 428C(a)(3) (as such sub-  
12 paragraph was in effect on or before June 30,  
13 2006), may apply to the Secretary for each in-  
14 dividual borrower in the married couple (or pre-  
15 viously married couple) to receive a separate  
16 Federal Direct Consolidation Loan under this  
17 part—

18 “(i) that shall be equal to the sum  
19 of—

20 “(I) the unpaid principal and ac-  
21 crued unpaid interest of the percent-  
22 age of the joint consolidation loan  
23 that, as of the day before such joint  
24 consolidation loan was made, was at-  
25 tributable to the loans of the indi-

1           vidual borrower for whom such sepa-  
2           rate consolidation loan is being made;  
3           and

4                   “(II) any other loans described in  
5           section 428C(a)(4) that such indi-  
6           vidual borrower selects for consolida-  
7           tion under this part;

8                   “(ii) the proceeds of which shall be  
9           paid by the Secretary to the holder or  
10          holders—

11                   “(I) of the joint consolidation  
12          loan for the purpose of discharging  
13          the liability on the percentage of such  
14          joint consolidation loan described in  
15          clause (i)(I); and

16                   “(II) of the loans selected for  
17          consolidation under clause (i)(II) for  
18          the purpose of discharging the liability  
19          on such loans;

20                   “(iii) that has the same rate of inter-  
21          est as the joint consolidation loan;

22                   “(iv) for which any payment made  
23          under section 455(m)(1)(A) on the joint  
24          consolidation loan during a period in which  
25          the individual borrower for whom such sep-

1           arate consolidation loan is being made was  
2           employed in a public service job described  
3           in section 455(m)(1)(B) shall be treated as  
4           if such payment were made on such sepa-  
5           rate consolidation loan; and

6           “(v) for which any payment made  
7           under an income contingent repayment  
8           plan or an income-based repayment plan  
9           described in subparagraph (D) or (E) of  
10          section 455(d)(1), respectively, on the joint  
11          consolidation loan shall be treated as if  
12          such payment were made on such separate  
13          consolidation loan.

14          “(B) APPLICATION FOR SEPARATE DIRECT  
15          CONSOLIDATION LOAN.—

16               “(i) JOINT APPLICATION.—Except as  
17               provided in clause (ii), to receive separate  
18               consolidation loans under subparagraph  
19               (A), both individual borrowers in a married  
20               couple (or previously married couple) shall  
21               jointly apply under subparagraph (A).

22               “(ii) SEPARATE APPLICATION.—An  
23               individual borrower in a married couple (or  
24               previously married couple) may apply for a  
25               separate consolidation loan under subpara-

1 graph (A) separately and without regard to  
2 whether or when the other individual bor-  
3 rower in the married couple (or previously  
4 married couple) applies under subpara-  
5 graph (A), in a case in which—

6 “(I) the individual borrower has  
7 experienced from the other individual  
8 borrower—

9 “(aa) domestic violence (as  
10 defined in section 40002(a) of  
11 the Violence Against Women Act  
12 of 1994 (42 U.S.C. 13925(a));  
13 or

14 “(bb) economic abuse (in-  
15 cluding behaviors that control  
16 such borrower’s ability to ac-  
17 quire, use, and maintain access  
18 to money, credit, or the joint fi-  
19 nancial obligations of both bor-  
20 rowers);

21 “(II) the individual borrower cer-  
22 tifies, on a form approved by the Sec-  
23 retary, that such borrower is unable  
24 to reasonably reach or access the loan

1 information of the other individual  
2 borrower; or

3 “(III) the Secretary determines  
4 that authorizing each individual bor-  
5 rower to apply separately under sub-  
6 paragraph (A) would be in the best  
7 fiscal interests of the Federal Govern-  
8 ment.

9 “(C) BORROWER ELIGIBILITY.—Notwith-  
10 standing section 428C(a)(3)(A), the Secretary  
11 shall award a consolidation loan under this part  
12 to each borrower who—

13 “(i) applies for such loan under sub-  
14 paragraph (A); and

15 “(ii) meets the requirements of sub-  
16 paragraphs (A) and (B).”.

17 (b) CONFORMING AMENDMENT.—Section  
18 428C(a)(3)(B)(i)(V) of the Higher Education Act of 1965  
19 (20 U.S.C. 1078–3(a)(3)(B)(i)(V)) is amended—

20 (1) in item (bb), by striking “or” after the  
21 semicolon;

22 (2) in item (cc), by striking the period and in-  
23 serting “; or”; and

24 (3) by adding at the end the following:

1                   “(dd) for the purpose of sep-  
2                   arating a joint consolidation loan  
3                   into 2 separate Federal Direct  
4                   Consolidation Loans under sec-  
5                   tion 455(g)(2).”.

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