

116TH CONGRESS
1ST SESSION

S. 2235

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

IN THE SENATE OF THE UNITED STATES

JULY 23, 2019

Ms. WARREN introduced the following bill; which was read twice and referred to the Committee on Finance

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

15 (B) the aggregate loan obligation on the el-
 16 igible Federal loans of the taxpayer that is out-
 17 standing on the date of enactment of this Act

1 or, in the case of such loans issued under sec-
2 tion 460B of the Higher Education Act of
3 1965, as added by title II of this Act, on the
4 date on which such loans are issued under such
5 section 460B.

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

15 (c) METHOD OF LOAN DISCHARGE.—

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

19 (A) through the holder of the loan, to as-
20 sume the obligation to repay the qualified loan
21 amount for a loan made, insured, or guaranteed
22 under part B of title IV of the Higher Edu-
23 cation Act of 1965 (20 U.S.C. 1071 et seq.);

24 (B) to cancel the qualified loan amount for
25 a loan made under part D of title IV of the

1 Higher Education Act of 1965 (20 U.S.C.
2 1087a et seq.), or assigned, referred, or trans-
3 ferred to, or purchased by, the Secretary under
4 such title IV (20 U.S.C. 1070 et seq.), includ-
5 ing a Federal Direct Stafford Loan issued
6 under section 460B of the Higher Education
7 Act of 1965, as added by title II of this Act;
8 and

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

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

20 (A) In the case in which the individual has
21 loans with different rates of interest, the loans
22 should be discharged in descending order by
23 rate of interest.

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

1 should be discharged in descending order by
2 amount of outstanding principal.

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

10 (e) TAXPAYER INFORMATION.—

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

19 (A) taxpayer identity information with re-
20 spect to such taxpayer;

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

22 (C) the adjusted gross income of such tax-
23 payer.

24 (2) RESTRICTION ON USE OF DISCLOSED IN-
25 FORMATION.—Return information disclosed under

1 paragraph (1) may be used by officers and employ-
2 ees of the Department of Education only for the
3 purposes of, and to the extent necessary in, estab-
4 lishing the appropriate qualified loan amount of a
5 taxpayer.

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

14 (1) an individual who, through an appeals proc-
15 ess established by the Secretary, successfully appeals
16 a loan discharge determination by the Secretary
17 under this section;

18 (2) an individual who, due to special cir-
19 cumstances, misses a deadline established by the
20 Secretary in the administration of loan discharges
21 under this section; or

22 (3) an individual (or a group of individuals)
23 who the Secretary determines should have received a
24 loan discharge or a discharge amount that is dif-
25 ferent from the amount of loan discharge received

1 under this section, except that a loan discharge
2 amount received under this subsection may not ex-
3 ceed the qualified loan amount determined for the
4 individual (or the group of individuals) under sub-
5 section (b).

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

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

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

19 (h) CREDIT REPORTING.—In the case of a borrower
20 of an eligible Federal loan that was in default prior to
21 being discharged under this section and on which, as a
22 result of such loan discharge, there is no outstanding bal-
23 ance of principal or interest, the Secretary, guaranty agen-
24 cy or other holder of the loan shall request any consumer
25 reporting agency to which the Secretary, guaranty agency

1 or holder, as applicable, reported the default of the loan,
2 to remove the record of the default from the borrower's
3 credit history.

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

7 **SEC. 102. AUTOMATIC ADMINISTRATIVE FORBEARANCE;**
8 **HALTING OF WAGE GARNISHMENT.**

9 During the period beginning on the date of enactment
10 of this Act and ending on the date that is 12 months after
11 such date of enactment, the Secretary of Education—

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

19 (2) may not issue an order for wage garnish-
20 ment or withholding under section 488A of the
21 Higher Education Act of 1965 (20 U.S.C. 1095a) or
22 section 3720D of title 31, United States Code, ini-
23 tiate proceedings to collect debt through deductions
24 from pay under such section 488A or 3720D, or en-
25 force or otherwise require compliance with a wage

1 garnishment or withholding order issued under such
2 section 488A or 3720D before the date of enactment
3 of this Act (which shall include staying any related
4 proceedings).

5 **SEC. 103. STAYING AND PROHIBITION ON COMMENCEMENT**
6 **OF ACTIONS FOR COLLECTION.**

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

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

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

17 **TITLE II—REFINANCING**
18 **PROGRAMS**

19 **SEC. 201. REFINANCING PROGRAMS.**

20 (a) PROGRAM AUTHORITY.—Section 451(a) of the
21 Higher Education Act of 1965 (20 U.S.C. 1087a(a)) is
22 amended—

23 (1) by striking “and (2)” and inserting “(2)”;
24 and

1 (2) by inserting “; and (3) to make loans under
2 section 460A and section 460B” after “section
3 459A”.

4 (b) REFINANCING PROGRAM.—Part D of title IV of
5 the Higher Education Act of 1965 (20 U.S.C. 1087a et
6 seq.) is amended by adding at the end the following:

7 **“SEC. 460A. REFINANCING FFEL AND FEDERAL DIRECT**
8 **LOANS.**

9 “(a) IN GENERAL.—Beginning not later than 12
10 months after the date of enactment of the Student Loan
11 Debt Relief Act of 2019, the Secretary shall establish a
12 program under which the Secretary automatically reffi-
13 nances loans made under this part in accordance with the
14 provisions of this section, in order to lower the rate of
15 interest on such loans.

16 “(b) REFINANCING DIRECT LOANS.—

17 “(1) FEDERAL DIRECT LOANS.—With respect
18 to each Federal Direct Stafford Loan, Federal Di-
19 rect Unsubsidized Stafford Loan, Federal Direct
20 PLUS Loan, and Federal Direct Consolidation
21 Loan, for which the first disbursement was made to
22 a borrower, or the application for the consolidation
23 loan was received from a borrower, on or before the
24 date of enactment of the Student Loan Debt Relief
25 Act of 2019, the Secretary shall, without any further

1 action by the borrower (other than under subpara-
2 graph (C))—

3 “(A) discharge the liability on such Fed-
4 eral Direct Stafford Loan, Federal Direct Un-
5 subsidized Stafford Loan, Federal Direct PLUS
6 Loan, or Federal Direct Consolidation Loan;

7 “(B) issue to the borrower a new Federal
8 Direct Stafford Loan, Federal Direct Unsub-
9 subsidized Stafford Loan, Federal Direct PLUS
10 Loan, or Federal Direct Consolidation Loan, re-
11 spectively—

12 “(i) in an amount equal to the sum of
13 the unpaid principal, accrued unpaid inter-
14 est, and late charges of the loan for which
15 the liability is being discharged under sub-
16 paragraph (A); and

17 “(ii) which has the same terms and
18 conditions as the original loan, except that
19 the rate of interest shall be determined
20 under subsection (c); and

21 “(C) provide the borrower an opportunity
22 to opt-out of the refinancing under this para-
23 graph.

24 “(2) REFINANCING FFEL PROGRAM LOANS AS
25 REFINANCED FEDERAL DIRECT LOANS.—

1 “(A) IN GENERAL.—With respect to each
2 loan that was made, insured, or guaranteed
3 under part B and for which the first disburse-
4 ment was made to a borrower, or the applica-
5 tion for the consolidation loan was received
6 from a borrower, before July 1, 2010, the Sec-
7 retary shall, without any further action by the
8 borrower (other than to provide the borrower an
9 opportunity to opt-out of the refinancing under
10 this paragraph), issue to the borrower a loan
11 made under this part—

12 “(i) in an amount equal to the sum of
13 the unpaid principal, accrued unpaid inter-
14 est, and late charges of the loan selected to
15 be so refinanced;

16 “(ii) the proceeds of which shall be
17 paid to the holder of the loan selected to
18 be so refinanced to discharge the liability
19 on such loan; and

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

22 “(B) DESIGNATION OF LOANS.—A loan
23 issued under this section the proceeds of which
24 is discharging the liability on a loan made, in-
25 sured, or guaranteed—

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

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

5 “(iii) under section 428H shall be a
6 Federal Direct Unsubsidized Stafford
7 Loan; and

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

10 “(c) INTEREST RATES.—

11 “(1) IN GENERAL.—The interest rate for Fed-
12 eral Direct Stafford Loans, Federal Direct Unsub-
13 sidized Stafford Loans, Federal Direct PLUS
14 Loans, and Federal Direct Consolidation Loans
15 issued under this section, shall be a rate equal to—

16 “(A) in a case in which the original loan
17 is a loan under section 428 or 428H, a Federal
18 Direct Stafford loan, or a Federal Direct Un-
19 subsidized Stafford Loan, that was issued to an
20 undergraduate student, the rate for Federal Di-
21 rect Stafford Loans and Federal Direct Unsub-
22 sidized Stafford Loans issued to undergraduate
23 students for the 12-month period beginning on
24 July 1, 2016, and ending on June 30, 2017;

1 “(B) 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 a
5 graduate or professional student, the rate for
6 Federal Direct Unsubsidized Stafford Loans
7 issued to graduate or professional students for
8 the 12-month period beginning on July 1, 2016,
9 and ending on June 30, 2017;

10 “(C) in an case in which the original loan
11 is a loan under section 428B or a Federal Di-
12 rect PLUS Loan, the rate for Federal Direct
13 PLUS Loans for the 12-month period begin-
14 ning on July 1, 2016, and ending on June 30,
15 2017; and

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

20 “(2) INTEREST RATES FOR CONSOLIDATION
21 LOANS.—

22 “(A) METHOD OF CALCULATION.—To de-
23 termine the interest rate for a Federal Direct
24 Federal Consolidation Loan issued under this
25 section, the Secretary shall—

1 “(i) determine each original loan for
2 which the liability was discharged by the
3 proceeds of a loan under section 428C or
4 a Federal Direct Consolidation Loan, and
5 calculate the proportion of the unpaid prin-
6 cipal balance of the loan under section
7 428C or the Federal Direct Consolidation
8 Loan that is applicable to each such origi-
9 nal loan;

10 “(ii) use the proportions determined
11 in accordance with clause (i) and the inter-
12 est rate applicable for each original loan,
13 as determined under subparagraph (B), to
14 calculate the weighted average of the inter-
15 est rates on the loans consolidated into the
16 loan under section 428C or the Federal Di-
17 rect Consolidation Loan; and

18 “(iii) apply the weighted average cal-
19 culated under clause (ii) as the interest
20 rate for the Federal Direct Consolidation
21 Loan made under this section and for
22 which the interest rate is being determined
23 under this paragraph.

24 “(B) INTEREST RATES FOR COMPONENT
25 LOANS.—The interest rate for each original

1 loan for which the liability is discharged by the
2 proceeds of loan made under section 428C or a
3 Federal Direct Consolidation Loan shall be the
4 following:

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

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

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

21 “(ii) The interest rate for any such
22 original loan made, insured or guaranteed
23 under section 428 or 428H, or that is a
24 Federal Direct Stafford Loan, or Federal
25 Direct Unsubsidized Stafford Loan, issued

1 to a graduate or professional student shall
2 be a rate equal to the lesser of—

3 “(I) the rate for Federal Direct
4 Unsubsidized Stafford Loans issued
5 to graduate or professional students
6 for the 12-month period beginning on
7 July 1, 2016, and ending on June 30,
8 2017; or

9 “(II) the interest rate on the
10 original loan.

11 “(iii) The interest rate for any such
12 original loan made, insured or guaranteed
13 under section 428B or that is a Federal
14 Direct PLUS Loan shall be a rate equal to
15 the lesser of—

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

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

22 “(iv) The interest rate for any such
23 original loan that is a loan under section
24 428C or a Federal Direct Consolidation
25 Loan shall be the weighted average of the

1 interest rates determined under this sub-
2 paragraph for each loan for which the li-
3 ability is discharged by the proceeds of
4 such consolidation loan.

5 “(v) The interest rate for any original
6 loan for which the liability was discharged
7 with the proceeds of a loan made under
8 section 428C or a Federal Direct Consoli-
9 dation Loan and is not described in clauses
10 (i) through (iv) shall be the interest rate
11 on such original loan.

12 “(3) FIXED RATE.—The applicable rate of in-
13 terest determined under paragraph (1) for a loan
14 issued under this section shall be fixed for the period
15 of the loan.

16 “(d) REPAYMENT PERIODS.—A loan issued under
17 this section shall not result in the extension of the dura-
18 tion of the repayment period of the original loan, and the
19 borrower shall retain the same repayment term that was
20 in effect on the original loan. Nothing in this paragraph
21 shall be construed to prevent a borrower from electing a
22 different repayment plan at any time in accordance with
23 section 455(d)(3).

24 “(e) ORIGINAL LOAN DEFINED.—In this section, the
25 term ‘original loan’ means a loan for which the liability

1 is discharged with the proceeds of a loan issued under this
2 section.

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

4 “(a) PROGRAM AUTHORIZED.—

5 “(1) IN GENERAL.—During the period begin-
6 ning on the date that is 6 months after the date of
7 enactment of the Student Loan Debt Relief Act of
8 2019, and ending on the date that is 9 months after
9 such date of enactment, the Secretary, in consulta-
10 tion with the Secretary of the Treasury, shall carry
11 out a program under which the Secretary, upon re-
12 ceiving an application from a borrower who has a
13 loan obligation on an eligible private education loan,
14 shall issue such borrower a loan under this section
15 in accordance with the following:

16 “(A) The loan issued under this section
17 shall be in an amount equal to the sum of the
18 unpaid principal, accrued unpaid interest, and
19 late charges of the private education loan.

20 “(B) The Secretary shall pay the proceeds
21 of the loan issued under this section to the pri-
22 vate educational lender (or subsequent holder)
23 of the private education loan, in order to dis-
24 charge the borrower and any cosigners from

1 any remaining obligation to the lender with re-
2 spect to the private education loan.

3 “(C) The Secretary shall require that the
4 borrower undergo loan counseling that provides
5 all of the information and counseling required
6 under clauses (i) through (viii) of section
7 485(b)(1)(A) before the carrying out subpara-
8 graphs (A) and (B) with respect to such bor-
9 rower.

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

13 “(b) INTEREST RATE.—

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

17 “(A) in the case of a Federal Direct Staf-
18 ford Loan discharging the liability on a private
19 education loan issued for undergraduate post-
20 secondary educational expenses, a rate equal to
21 the rate for Federal Direct Stafford Loans and
22 Federal Direct Unsubsidized Stafford Loans
23 issued to undergraduate students for the 12-
24 month period beginning on July 1, 2016, and
25 ending on June 30, 2017; and

1 “(B) in the case of a Federal Direct Staf-
2 ford Loan discharging the liability on a private
3 education loan issued for graduate or profes-
4 sional degree postsecondary educational ex-
5 penses, a rate equal to the rate for Federal Di-
6 rect Unsubsidized Stafford Loans issued to
7 graduate or professional students for the 12-
8 month period beginning on July 1, 2016, and
9 ending on June 30, 2017.

10 “(2) COMBINED UNDERGRADUATE AND GRAD-
11 UATE STUDY LOANS.—In the case of a Federal Di-
12 rect Stafford Loan discharging the liability on a pri-
13 vate education loan issued for both undergraduate
14 and graduate or professional postsecondary edu-
15 cational expenses, the interest rate shall be a rate
16 equal to the rate for Federal Direct PLUS Loans
17 for the 12-month period beginning on July 1, 2016,
18 and ending on June 30, 2017.

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

23 “(c) NO INCLUSION IN AGGREGATE LIMITS.—The
24 amount of a Federal Direct Stafford Loan issued under
25 this section, or a Federal Direct Consolidated Loan to the

1 extent such loan is used to repay such a Federal Direct
2 Stafford Loan, shall not be included in calculating a bor-
3 rower’s annual or aggregate loan limits under section 428
4 or 428H.

5 “(d) PRIVATE EDUCATIONAL LENDER REPORTING
6 REQUIREMENT.—

7 “(1) REPORTING REQUIRED.—Not later than 6
8 months after the date of enactment of the Student
9 Loan Debt Relief Act of 2019, the Secretary, in con-
10 sultation with the Secretary of the Treasury and the
11 Director of the Bureau of Consumer Financial Pro-
12 tection, shall establish a requirement that private
13 educational lenders report the data described in
14 paragraph (2) to the Secretary, to Congress, to the
15 Secretary of the Treasury, and to the Director of the
16 Bureau of Consumer Financial Protection, in order
17 to allow for an assessment of the private education
18 loan market.

19 “(2) CONTENTS OF REPORTING.—The data
20 that private educational lenders shall report in ac-
21 cordance with paragraph (1) shall include each of
22 the following about private education loans (as de-
23 fined in section 140(a) of the Truth in Lending Act
24 (15 U.S.C. 1650(a))):

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

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

5 “(C) The average interest rate on the out-
6 standing private education loan debt held by the
7 lender.

8 “(D) The proportion of private education
9 loan borrowers who are in default on a loan
10 held by the lender.

11 “(E) The proportion of the outstanding
12 private education loan volume held by the lend-
13 er that is in default.

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

17 “(G) The proportions of outstanding pri-
18 vate education loan volume that is 30, 60, and
19 90 days delinquent.

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

24 “(f) DEFINITIONS.—In this section:

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

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

10 “(A) was disbursed to the borrower on or
11 before the date of enactment of the Student
12 Loan Debt Relief Act of 2019; and

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

18 (c) INCOME-CONTINGENT REPAYMENT.—Section
19 455(d)(1)(D) of the Higher Education Act of 1965 (20
20 U.S.C. 1087e(d)(1)(D)) is amended by inserting before
21 the semicolon at the end the following: “, and in calcu-
22 lating the period of time during which a borrower of a
23 loan issued under section 460A has made monthly pay-
24 ments on such loan for purposes of the plan described in
25 this subparagraph, the Secretary shall treat each monthly

1 payment that otherwise meets the requirements of such
2 plan and that was made on a loan for which the liability
3 is discharged by the proceeds of such loan issued under
4 section 460A, as a monthly payment made on such loan
5 issued under section 460A”.

6 (d) PUBLIC SERVICE LOAN FORGIVENESS.—Section
7 455(m) of the Higher Education Act of 1965 (20 U.S.C.
8 1087e(m)) is amended—

9 (1) by redesignating paragraphs (3) and (4) as
10 paragraphs (4) and (5), respectively; and

11 (2) by inserting after paragraph (2) the fol-
12 lowing:

13 “(3) TREATMENT OF LOANS ISSUED UNDER
14 SECTION 460A.—Notwithstanding paragraph (1), in
15 determining the number of monthly payments made
16 under paragraph (1) on an eligible Federal Direct
17 Loan issued under section 460A the proceeds of
18 which discharges the liability on a loan made under
19 this part, the Secretary shall treat each monthly
20 payment made under paragraph (1) on the loan be-
21 fore the liability on such loan was so discharged as
22 a monthly payment made on such eligible Federal
23 Direct Loan.”;

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

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

14 **TITLE III—DISCHARGEABILITY**
 15 **OF STUDENT LOANS IN BANK-**
 16 **RUPTCY**

17 **SEC. 301. DISCHARGEABILITY OF STUDENT LOANS IN**
 18 **BANKRUPTCY.**

19 (1) EXCEPTION TO DISCHARGE.—Section
 20 523(a) of title 11 of the United States Code is
 21 amended by striking paragraph (8).

22 (2) CONFORMING AMENDMENT.—Section
 23 1328(a)(2) of title 11 of the United States Code is
 24 amended by striking “(8),”.

TITLE IV—GENERAL PROVISIONS

SEC. 401. REPORT ON PROGRESS OF IMPLEMENTATION.

Not later than the date that is 6 months after the date of enactment of this Act, the Secretary of Education and the Secretary of the Treasury shall, jointly, submit to Congress a report on the progress of the implementation of the provisions of titles I and II.

SEC. 402. NOTIFICATION TO BORROWERS.

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

(1) the Secretary of Education—

(A) shall take such steps as may be necessary to notify borrowers of an eligible Federal loan of the loan discharge available under title I, including the applicable deadlines;

(B) in coordination with the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, shall undertake a campaign to notify borrowers of loans made, insured, or guaranteed under part B or D of title IV of the Higher Education Act of 1965 that such borrowers may be eligible to refinance such loans at a lower rate of interest under section 460A of the Higher Education Act of

1 1965, as added by title II of this Act, which
2 campaign shall include—

3 (i) developing consumer information
4 materials about the availability of such re-
5 financing; and

6 (ii) requiring servicers of such loans
7 to provide such consumer information to
8 borrowers in a manner determined appro-
9 priate by the Secretary, in consultation
10 with the Director of the Bureau of Con-
11 sumer Financial Protection; and

12 (C) in coordination with the Secretary of
13 the Treasury and the Director of the Bureau of
14 Consumer Financial Protection, shall undertake
15 a campaign to alert borrowers of private edu-
16 cation loans—

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

22 (ii) such Federal Direct Stafford
23 Loans may be eligible for loan discharge
24 under title I of this Act; and

1 (2) the Secretary of Health and Human Serv-
2 ices, in consultation with the Secretary of Edu-
3 cation, shall take such steps as may be necessary to
4 inform borrowers of a loan made, insured, or guar-
5 anteed by the Department of Health and Human
6 Services that is eligible for consolidation under sec-
7 tion 455(g) of the Higher Education Act of 1965
8 (20 U.S.C. 1087e(g)), that the—

9 (A) borrower may be eligible for a Federal
10 Direct Consolidation Loan under such section
11 455(g); and

12 (B) such Federal Direct Consolidation
13 Loan may be eligible for loan discharge under
14 title I of this Act.

15 (b) NOTIFICATION BY PRIVATE EDUCATION LOAN
16 HOLDERS.—Each holder of a private education loan shall,
17 not later than the date that is 3 months after the date
18 of enactment of this Act, notify the borrower of such pri-
19 vate education loan that the borrower may be eligible to
20 refinance the private education loan as a Federal Direct
21 Stafford Loan under section 460B of the Higher Edu-
22 cation Act of 1965, and such Federal Direct Stafford
23 Loan may be eligible for loan discharge under title I of
24 this Act.

1 **SEC. 403. INAPPLICABILITY OF TITLE IV NEGOTIATED**
2 **RULEMAKING AND MASTER CALENDAR EX-**
3 **CEPTION.**

4 Sections 482(c) and 492 of the Higher Education Act
5 of 1965 (20 U.S.C. 1089(c), 1098a) shall not apply to
6 this Act or any amendments made by this Act, or to any
7 regulations promulgated under this Act or under such
8 amendments.

9 **SEC. 404. DEFINITIONS.**

10 In this Act:

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

13 (A) a loan made, insured, or guaranteed
14 under title IV of the Higher Education Act of
15 1965 (20 U.S.C. 1071 et seq.) (other than a
16 loan described in subparagraph (B)) on or be-
17 fore the date of enactment of this Act; or

18 (B) a Federal Direct Stafford Loan issued
19 under section 460B of the Higher Education
20 Act of 1965, as added by title II of this Act,
21 on a date that is not later than 9 months after
22 the date of enactment of this Act.

23 (2) **PRIVATE EDUCATION LOAN.**—The term
24 “private education loan” has the meaning given such
25 term in section 140(a) of the Truth in Lending Act
26 (15 U.S.C. 1650(a)).

1 (3) SECRETARY.—The term “Secretary” means
2 the Secretary of Education.

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

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