

116TH CONGRESS  
2D SESSION

# S. 3760

To amend the Higher Education Act of 1965 to provide for a percentage of student loan forgiveness for public service employment, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 19, 2020

Mr. BLUMENTHAL (for himself, Mr. UDALL, Mr. BOOKER, Ms. WARREN, Ms. SMITH, Mr. CARDIN, Mr. MARKEY, Mrs. FEINSTEIN, Ms. HIRONO, and Mr. LEAHY) 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 provide for a percentage of student loan forgiveness for public service employment, 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 “Strengthening Loan  
5 Forgiveness for Public Servants During the COVID–19  
6 Crisis Act”.

7 **SEC. 2. SENSE OF THE SENATE.**

8 It is the sense of the Senate that—

1           (1) the novel coronavirus of 2019 (COVID–19)  
2           is imposing a burden on many individuals, including  
3           doctors, nurses, and teachers, who are participating  
4           in the public service loan forgiveness program under  
5           section 455(m) of the Higher Education Act of 1965  
6           (20 U.S.C. 1087e(m)); and

7           (2) restructuring the loan forgiveness provided  
8           through such program and accommodating interrup-  
9           tions that might occur due to the impact of the novel  
10          coronavirus of 2019 (COVID–19) are necessary.

11 **SEC. 3. PUBLIC SERVICE LOAN FORGIVENESS PROGRAM.**

12          (a) IN GENERAL.—Section 455(m) of the Higher  
13          Education Act of 1965 (20 U.S.C. 1087e(m)) is amend-  
14          ed—

15               (1) in paragraph (1), in the matter preceding  
16               subparagraph (A), by inserting “, except as provided  
17               in paragraph (5),” after “on any eligible Federal Di-  
18               rect Loan not in default”; and

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

20               “(5) LOAN CANCELLATION FOR NEW LOANS.—

21                       “(A) IN GENERAL.—Beginning after the  
22                       date of enactment of the Strengthening Loan  
23                       Forgiveness for Public Servants During the  
24                       COVID–19 Crisis Act, after the conclusion of  
25                       each employment period in a public service job,

1 as described in subparagraph (B), the Secretary  
2 shall cancel the percent specified in such sub-  
3 paragraph of the total amount due on any eligi-  
4 ble Federal Direct Loan made after the date of  
5 enactment of the Strengthening Loan Forgive-  
6 ness for Public Servants During the COVID-19  
7 Crisis Act for a borrower who is employed in  
8 such public service job and submits an employ-  
9 ment certification form described in subpara-  
10 graph (C).

11 “(B) PERCENT AMOUNT.—The percent of  
12 a loan that shall be canceled under subpara-  
13 graph (A) is as follows:

14 “(i) In the case of a borrower who  
15 completes 2 years of employment in a pub-  
16 lic service job, 15 percent of the total  
17 amount due on the eligible Federal Direct  
18 Loan on the date the borrower commenced  
19 employment in such public service job.

20 “(ii) In the case of a borrower who  
21 completes 4 years of employment in a pub-  
22 lic service job, 15 percent of the total  
23 amount due on the eligible Federal Direct  
24 Loan on the date the borrower commenced  
25 employment in such public service job.

1           “(iii) In the case of a borrower who  
2           completes 6 years of employment in a pub-  
3           lic service job, 20 percent of the total  
4           amount due on the eligible Federal Direct  
5           Loan on the date the borrower commenced  
6           employment in such public service job.

7           “(iv) In the case of a borrower who  
8           completes 8 years of employment in a pub-  
9           lic service job, 20 percent of the total  
10          amount due on the eligible Federal Direct  
11          Loan on the date the borrower commenced  
12          employment in such public service job.

13          “(v) In the case of a borrower who  
14          completes 10 years of employment in a  
15          public service job, 30 percent of the total  
16          amount due on the eligible Federal Direct  
17          Loan on the date the borrower commenced  
18          employment in such public service job.

19          “(C)       EMPLOYMENT       CERTIFICATION  
20          FORM.—

21               “(i) IN GENERAL.—In order to receive  
22          loan cancellation under this paragraph, a  
23          borrower shall submit to the Secretary an  
24          employment certification form that is de-  
25          veloped by the Secretary and includes self-

1 certification of employment and a separate  
2 part for employer certification that indi-  
3 cates the dates of employment.

4 “(ii) DEFERMENT.—If a borrower  
5 submits to the Secretary the employment  
6 certification form described in clause (i),  
7 during the period in which the borrower is  
8 employed in a public service job for which  
9 loan cancellation is eligible under this  
10 paragraph, the borrower’s eligible Federal  
11 Direct Loan shall be placed in deferment.

12 “(D) INTEREST CANCELED.—If a portion  
13 of a loan is canceled under this paragraph for  
14 any year, the entire amount of interest on such  
15 loan that accrues for such year shall be can-  
16 celed.”.

17 (b) SPECIAL RULE FOR COVID–19 EMPLOYMENT  
18 DISRUPTIONS.—

19 (1) DEFINITIONS.—In this subsection:

20 (A) EMPLOYMENT DISRUPTION.—The term  
21 “employment disruption” means a lapse in an  
22 individual’s employment that is related to the  
23 novel coronavirus disease of 2019 (COVID–19),  
24 such as a furlough or reduction in force by the

1 employer or the individual’s resignation due to  
2 illness or family caregiving responsibilities.

3 (B) PUBLIC SERVICE JOB.—The term  
4 “public service job” has the meaning given the  
5 term in section 455(m)(3) of the Higher Edu-  
6 cation Act of 1965 (20 U.S.C. 1087e(m)(3)).

7 (C) QUALIFYING EMERGENCY.—The term  
8 “qualifying emergency” has the meaning given  
9 the term in section 3502 of division A of the  
10 Coronavirus Aid, Relief, and Economic Security  
11 Act (Public Law 116–136).

12 (D) QUALIFYING INDIVIDUAL.—The term  
13 “qualifying individual” means an individual  
14 who—

15 (i) has a loan that qualifies for public  
16 service loan forgiveness under section  
17 455(m) of the Higher Education Act of  
18 1965 (20 U.S.C. 1087e(m)); and

19 (ii) during the qualifying emergency  
20 period—

21 (I) was employed in a public  
22 service job; and

23 (II) experiences an employment  
24 disruption with respect to the public

1 service job and no longer is employed  
2 in a public service job.

3 (2) IN GENERAL.—Subject to paragraph (3), in  
4 administering the public service loan forgiveness pro-  
5 gram under section 455(m) of the Higher Education  
6 Act of 1965 (20 U.S.C. 1087e(m)) with respect to  
7 periods of employment and payments due during the  
8 qualifying emergency—

9 (A) each qualifying individual shall be  
10 deemed an individual employed in a public serv-  
11 ice job during the period of the qualifying emer-  
12 gency for purposes of such program; and

13 (B) any monthly payment made by a quali-  
14 fying individual during the qualifying emer-  
15 gency (including a payment deemed made under  
16 section 3513(c) of the Coronavirus Aid, Relief,  
17 and Economic Security Act (Public Law 116–  
18 136)) shall be deemed to be a monthly payment  
19 made by an individual employed in a public  
20 service job for purposes of such program.

21 (3) SPECIAL RULE.—Paragraph (2) shall only  
22 apply to a qualifying individual who resumes employ-  
23 ment in any public service job by the date that is 6  
24 months after the last day of the qualifying emer-  
25 gency, except that any qualifying individual who, as

1 a result of the application of paragraph (2), would  
2 have completed the requirements for full or partial  
3 loan cancellation under paragraph (2) or (5) of sec-  
4 tion 455(m) of the Higher Education Act of 1965  
5 (as amended by this Act) during the qualifying  
6 emergency, shall receive such loan cancellation with-  
7 out any required resumption of public service job  
8 employment.

9 (4) GUIDANCE.—Not later than 30 days after  
10 the date of enactment of this Act, the Secretary of  
11 Education shall develop and make available guidance  
12 for qualifying individuals regarding the assistance  
13 available under this subsection.

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