S. 1971

To amend the Higher Education Act of 1965 to provide for loan repayment simplification and income-driven repayment reform.

IN THE SENATE OF THE UNITED STATES

JUNE 14, 2023

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

A BILL

To amend the Higher Education Act of 1965 to provide for loan repayment simplification and income-driven repayment reform.

Be it enacted by the Senate and House of Representa-

tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Streamlining Account-

ability and Value in Education for Students Act”.

SEC. 2. LOAN REPAYMENT SIMPLIFICATION AND INCOME-

DRIVEN REPAYMENT REFORM.

Section 455 of the Higher Education Act of 1965 (20

U.S.C. 1087e) is amended—
(1) in subsection (d)—

(A) in paragraph (1)—

(i) in subparagraph (B), by inserting

“not later than June 30, 2024,” before “a

graduated”;

(ii) in subparagraph (C), by inserting

“not later than June 30, 2024,” before

“an extended”;

(iii) in subparagraph (D)—

(I) by inserting “not later than

June 30, 2024,” before “an income

contingent”; and

(II) by striking “and” after the

semicolon;

(iv) in subparagraph (E)—

(I) by inserting “and not later

than June 30, 2024,” after “begin-

ning on July 1, 2009”; and

(II) by striking the period at the

end and inserting “; and”; and

(v) by adding at the end the following:

“(F) beginning on July 1, 2024, an income

contingent repayment plan known as the ‘Re-

vised Pay As You Earn Repayment plan’, con-

sistent with subsection (e)(9).’’;
(B) in paragraph (2), by striking “in sub-
paragraph (A), (B), or (C) of paragraph (1)” and inserting “in subparagraph (A) or (F) of paragraph (1)”;
and

(C) in paragraph (4), by inserting “not later than June 30, 2024 and” after “The Sec-
retary may provide,”; and

(2) in subsection (e), by adding at the end the following:

“(9) REVISED PAY AS YOU EARN REPAYMENT PLAN.—

“(A) IN GENERAL.—The Secretary shall carry out a Revised Pay As You Earn Repay-
ment plan in accordance with section 685.209(c) of title 34, Code of Federal Regula-
tions, as in effect on December 17, 2015, ex-
cept as otherwise provided in this paragraph as follows:

“(i) A borrower may complete loan re-
habilitation on a defaulted loan through making eligible payments in accordance with this paragraph for 9 consecutive months.
“(ii) A borrower who no longer wishes to repay under the REPAYE plan may change only to a standard repayment plan.

“(iii) In addition to that provided under paragraph (5)(iv) of such section 685.209(c), a qualifying monthly payment may also include a month for which the borrower received—

“(I) deferment under subsection (f)(3) due to receiving treatment for cancer;

“(II) deferment under subsection (f)(2) for rehabilitation training;

“(III) deferment under subsection (f)(2) for unemployment;

“(IV) deferment under subsection (f)(2) for economic hardship, including any period of deferment for Peace Corps service;

“(V) deferment under subsection (f)(2) for military service;

“(VI) deferment under subsection (f)(2) for post-active duty service;
“(VII) forbearance under section 428(e)(3)(A)(i)(III), for national service;

“(VIII) forbearance under section 685.205(a)(7) of title 34, Code of Federal Regulations, for National Guard Duty;

“(IX) forbearance under section 428(e)(3)(A)(i)(IV), for service for which the borrower would qualify for a partial repayment of his or her loan under the Student Loan Repayment Programs administered by the Department of Defense; or

“(X) administrative forbearance under paragraph (8) or (9) of section 685.205(b) of title 34, Code of Federal Regulations.

“(iv) A borrower shall be automatically enrolled in a Revised Pay As You Earn Repayment plan for a loan at 75 days delinquent on such loan.

“(v) A borrower who missed qualifying payments during a forbearance or deferment period not listed in clause (iii),
shall have the opportunity to provide a back payment for the missed payments in order have those payments counted toward the 20-year or 25-year forgiveness period, except there shall be no opportunity to provide a back payment for periods of in-school deferment.

“(vi) For a borrower who is solely an undergraduate borrower—

“(I) who has borrowed $10,000 or less in total in loans under this part, not including loan fees, the Secretary may determine that the borrower has met the loan forgiveness requirements after 120 payments under the Revised Pay As You Earn Repayment plan;

“(II) who has borrowed more than $10,000 but $11,000 or less in total in loans under this part, not including loan fees, the Secretary may determine that the borrower has met the loan forgiveness requirements after 132 payments under the Revised Pay As You Earn Repayment plan;
“(III) who has borrowed more than $11,000 but $12,000 or less in total in loans under this part, not including loan fees, the Secretary may determine that the borrower has met the loan forgiveness requirements after 144 payments under the Revised Pay As You Earn Repayment plan;

“(IV) who has borrowed more than $12,000 but $13,000 or less in total in loans under this part, not including loan fees, the Secretary may determine that the borrower has met the loan forgiveness requirements after 156 payments under the Revised Pay As You Earn Repayment plan;

“(V) who has borrowed more than $13,000 but $14,000 or less in total in loans under this part, not including loan fees, the Secretary may determine that the borrower has met the loan forgiveness requirements after 168 payments under the Revised Pay As You Earn Repayment plan;
“(VI) who has borrowed more than $14,000 but $15,000 or less in total in loans under this part, not including loan fees, the Secretary may determine that the borrower has met the loan forgiveness requirements after 180 payments under the Revised Pay As You Earn Repayment plan;

“(VII) who has borrowed more than $15,000 but $16,000 or less in total in loans under this part, not including loan fees, the Secretary may determine that the borrower has met the loan forgiveness requirements after 192 payments under the Revised Pay As You Earn Repayment plan;

“(VIII) who has borrowed more than $16,000 but $17,000 or less in total in loans under this part, not including loan fees, the Secretary may determine that the borrower has met the loan forgiveness requirements after 204 payments under the Revised Pay As You Earn Repayment plan;
“(IX) who has borrowed more than $17,000 but $18,000 or less in total in loans under this part, not including loan fees, the Secretary may determine that the borrower has met the loan forgiveness requirements after 216 payments under the Revised Pay As You Earn Repayment plan; and

“(X) who has borrowed more than $18,000 but $19,000 or less in total in loans under this part, not including loan fees, the Secretary may determine that the borrower has met the loan forgiveness requirements after 228 payments under the Revised Pay As You Earn Repayment plan.

“(B) TRANSFER OF BORROWERS IN REPAYMENT.—Notwithstanding any other provision of this Act, on July 1, 2024, the Secretary shall transfer each borrower who is in repayment on a loan made under this part under an income contingent repayment plan pursuant to subsection (d)(1)(D) to the Revised Pay As You Earn Repayment plan under this paragraph.”.
SEC. 3. TAXPAYER AND CONSUMER PROTECTION ON STUDENT LOANS.

Section 487(a) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)) is amended by adding at the end the following:

“(30)(A) The institution certifies that no funds available under this title may be used by an undergraduate student for enrollment in an educational program offered by the institution that is described in subparagraph (B).

“(B) An educational program at an institution is described in this subparagraph if the program is a program—

“(i) in the case of a program that awards an associate’s degree or a lesser degree or credential, in which the median earnings of students 6 years after the date of entry into the program who are no longer enrolled in the program and are working is, for not less than 2 of the 3 years preceding the date of the determination, less than the median earnings of a working adult who is aged 25 to 34 with only a high school diploma or its recognized equivalent, as determined under subparagraph (C) and in accordance with subparagraph (D); or
“(ii) in the case of a program that awards a bachelor’s degree, in which the median earnings of students 10 years after the date of entry into the program who are no longer enrolled in the program and are working is, for not less than 2 of the 3 years preceding the date of the determination, less than the median earnings of a working adult who is aged 25 to 34 with only a high school diploma or its recognized equivalent, as determined under subparagraph (C) and in accordance with subparagraph (D).

“(C) The median earnings of a working adult who is aged 25 to 34 with only a high school diploma or its recognized equivalent shall be based on data from the Census Bureau—

“(i) for the State in which the institution is located; or

“(ii) if fewer than 50 percent of the students enrolled in the institution reside in the State where the institution is located, for the entire United States.

“(D) For any year for which the programmatic cohort is fewer than 30 individuals, the Secretary shall—
“(i) first, aggregate additional years of programmatic data in order to achieve a cohort of at least 30 individuals;

“(ii) second, aggregate additional cohort years of programmatic data for degrees or certificates of equivalent length in order to achieve a cohort of at least 30 individuals; and

“(iii) if such data cannot be aggregated, use an institution-based undergraduate-level measure, in lieu of a programmatic measure.

“(E) An educational program shall not lose eligibility under subparagraph (A) unless the institution has had the opportunity to appeal the programmatic median earnings of students working and not enrolled determination. During such appeal, the Secretary may permit the educational program to continue to participate in a program under this title. If an educational program continues to participate in a program under title, and the institution’s appeal of the loss of eligibility is unsuccessful, the institution shall pay to the Secretary an amount equal to the amount of interest, and any related payments made by the Secretary (or which the Secretary is obligated to make) with respect to loans made under this title to students attending, or planning to at-
tend, that educational program during the pendency of such appeal.

“(31)(A) The institution certifies that no funds available under this title may be used by a graduate student for enrollment in an educational program offered by the institution that is described in subparagraph (B).

“(B) An educational program at an institution is described in this subparagraph if the program is a program—

“(i) in the case of a program that awards a master’s degree or a lesser degree or credential, in which the median earnings of students 6 years after the date of entry into the program who are no longer enrolled in the program and are working is, for not less than 2 of the 3 years preceding the date of the determination, less than the median earnings of a working adult who is aged 25 to 34 with only a bachelor’s degree, as determined under subparagraph (C) and in accordance with subparagraph (D); or

“(ii) in the case of program that awards a professional degree or doctoral degree, in which the median earnings of students 10 years after...
the date of entry into the program who are no
longer enrolled in the program and are working
is, for not less than 2 of the 3 years preceding
the date of the determination, less than the me-
dian earnings of a working adult who is aged
25 to 34 with only a bachelor’s degree, as de-
termined under subparagraph (C) and in ac-
cordance with subparagraph (D).
“(C) The median earnings of a working adult
who is aged 25 to 34 with only a bachelor’s degree
shall be based on data from the Census Bureau—
“(i) for the State in which the institution
is located; or
“(ii) if fewer than 50 percent of the stu-
dents enrolled in the institution reside in the
State where the institution is located, for the
entire United States.
“(D) For any year for which the programmatic
cohort is fewer than 30 individuals, the Secretary
shall—
“(i) first, aggregate additional years of
programmatic data in order to achieve a cohort
of at least 30 individuals;
“(ii) second, aggregate additional cohort
years of programmatic data for degrees or cer-
tificates of equivalent length in order to achieve a cohort of at least 30 individuals; and

“(iii) if such data cannot be aggregated, use an institution-based graduate-level measure, in lieu of a programmatic measure.

“(E) An educational program shall not lose eligibility under subparagraph (A) unless the institution has had the opportunity to appeal the programmatic median earnings of students working and not enrolled determination. During such appeal, the Secretary may permit the educational program to continue to participate in a program under this title. If an educational program continues to participate in a program under title, and the institution’s appeal of the loss of eligibility is unsuccessful, the institution shall pay to the Secretary an amount equal to the amount of interest, and any related payments made by the Secretary (or which the Secretary is obligated to make) with respect to loans made under this title to students attending, or planning to attend, that educational program during the pendency of such appeal.”.

SEC. 4. PHASE OUT OF INCOME-BASED REPAYMENT.

Section 493C of the Higher Education Act of 1965 (20 U.S.C. 1098e) is amended—
(1) in subsection (b)(1), by inserting “who en-
ters repayment on such loan before July 1, 2024
and” after “a borrower of any loan made, insured,
or guaranteed under part B or D (other than an ex-
cepted PLUS loan or excepted consolidation loan)”;
and

(2) in subsection (e)—

(A) in the subsection heading by inserting

“And Before July 1, 2024” after “July 1,
2014”; and

(B) by inserting “, and before July 1,
2024” after “July 1, 2014”.

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