

116TH CONGRESS
1ST SESSION

H. R. 672

To require the Secretary of Education to provide a deferment for certain student loans of Federal employees subject to a lapse in discretionary appropriations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 17, 2019

Mr. LOEBSACK (for himself, Mr. HARDER of California, and Mr. GOMEZ) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To require the Secretary of Education to provide a deferment for certain student loans of Federal employees subject to a lapse in discretionary appropriations, 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. DEFERMENT FOR FEDERAL EMPLOYEES DUR-**
4 **ING GOVERNMENT SHUTDOWNS.**

5 (a) SHUTDOWN DEFERMENT.—

6 (1) EFFECT ON PRINCIPAL AND INTEREST.—

7 Notwithstanding any other provision of law, a bor-
8 rower of a loan made, insured, or guaranteed under

1 part B or D of the Higher Education Act of 1965
2 (20 U.S.C. 1071 et seq.; 1087a et seq.) who meets
3 the requirements described in paragraph (2) shall be
4 eligible for a deferment, during which—

5 (A) periodic installments of principal need
6 not be paid; and

7 (B) in the case of a—

8 (i) loan made, insured, or guaranteed
9 under part B of the Higher Education Act
10 of 1965 (20 U.S.C. 1071 et seq.), the Sec-
11 retary shall repay any interest owed; and

12 (ii) loan made under part D of the
13 Higher Education Act of 1965 (20 U.S.C.
14 1087a et seq.), interest shall not accrue.

15 (2) ELIGIBILITY.—A borrower of a loan de-
16 scribed in paragraph (1) shall be eligible for a
17 deferment during any period of not less than 15 con-
18 secutive days in which such borrower is an employee
19 of a Federal agency that is subject to a lapse in dis-
20 cretionary appropriations.

21 (b) EFFECT OF SHUTDOWN DEFERMENT ON PUBLIC
22 SERVICE LOAN FORGIVENESS.—

23 (1) IN GENERAL.—Notwithstanding any other
24 provision of law, for purposes of section 455(m) of

1 the Higher Education Act of 1965 (20 U.S.C.
2 1087e(m))—

3 (A) the Secretary of Education shall treat
4 an unpaid monthly payment on a loan during a
5 deferment period described in subsection (a)(2)
6 as if such monthly payment has been made on
7 the loan if, during the reimbursement period,
8 the borrower of such loan—

9 (i) makes each monthly payment due
10 on such loan for each month of such reim-
11 bursement period;

12 (ii) pays the amount of such unpaid
13 monthly payment; and

14 (iii) not later than the day on which
15 the first monthly payment is due during
16 such reimbursement period, pays any other
17 amounts that were due on such loan as of
18 the day before the deferment period; and

19 (B) with respect to a borrower who does
20 not pay the amount of any such unpaid month-
21 ly payment on a loan during such reimburse-
22 ment period, beginning with the first monthly
23 payment due on such loan after the reimburse-
24 ment period and for each succeeding monthly
25 payment until the total amount of such unpaid

1 monthly payments on such loan are paid, the
2 amount of the monthly payment due on such
3 loan shall equal—

4 (i) the monthly payment due on such
5 loan for such month; and

6 (ii) the amount of 1 unpaid monthly
7 payment on such loan.

8 (2) DEFINITIONS.—For purposes of paragraph
9 (1):

10 (A) DEFERMENT.—The term “deferment
11 period”, when used with respect to a borrower,
12 means the period in which the borrower is in
13 the deferment described in subsection (a)(2).

14 (B) MONTHLY PAYMENT.—The term
15 “monthly payment” means a monthly payment
16 under section 455(m)(1)(A) of the Higher Edu-
17 cation Act of 1965 (20 U.S.C.
18 1087e(m)(1)(A)).

19 (C) REIMBURSEMENT PERIOD.—The term
20 “reimbursement period”, when used with re-
21 spect to a borrower, means a period that is—

22 (i) equal to the number of days of the
23 deferment period of the borrower; and

- 1 (ii) begins on the day after such
- 2 deferment period.

