

116TH CONGRESS  
2D SESSION

# H. R. 6597

To extend zero interest rate benefits and payment suspension to certain  
Federal student loan borrowers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 2020

Ms. STEFANIK (for herself, Mrs. TRAHAN, Mr. SMUCKER, Ms. ADAMS, Mrs. LEE of Nevada, Mr. WELCH, Mr. FITZPATRICK, and Mrs. WATSON COLEMAN) introduced the following bill; which was referred to the Committee on Education and Labor

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## A BILL

To extend zero interest rate benefits and payment suspension  
to certain Federal student loan borrowers, 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 “Equity in Student  
5 Loan Relief Act”.

6 **SEC. 2. LOWERING RATES FOR BORROWERS WITH FED-**  
7 **ERAL FAMILY EDUCATION LOANS.**

8 (a) TEMPORARY PROGRAM OF FEDERAL SUBSIDY  
9 PAYMENTS TO DEFRAY BORROWER INTEREST COSTS ON

1 FEDERAL FAMILY EDUCATION LOANS.—Notwithstanding  
2 any other provision of the Higher Education Act of 1965  
3 (20 U.S.C. 1071 et seq.), the Secretary of Education shall  
4 carry out a temporary program concerning the novel  
5 coronavirus virus disease (COVID–19) outbreak to pro-  
6 vide payment relief to borrowers with loans made under  
7 part B of the Higher Education Act of 1965 (20 U.S.C.  
8 1071 et seq.), that are not held by the Federal Govern-  
9 ment.

10 (1) Under the program, the Secretary is di-  
11 rected to enter into agreements expeditiously with el-  
12 igible lenders and guaranty agencies to reduce inter-  
13 est rates to 0.00 percent on such loans and shall  
14 make payments, as set forth below, to such eligible  
15 lenders and guaranty agencies to offset the cost of  
16 the reduced interest rates. Under such agreements,  
17 the Secretary shall—

18 (A) make Federal interest subsidy pay-  
19 ments on behalf of each borrower whose loans  
20 are held by such eligible lender or guaranty  
21 agency equal to the total amount of the interest  
22 on the unpaid principal amount of the loans,  
23 calculated at the borrower interest rates estab-  
24 lished under section 427A of the Higher Edu-  
25 cation Act of 1965 (20 U.S.C. 1077a); and

1           (B) make these Federal interest subsidy  
2           payments to an eligible lender or guaranty  
3           agency on a monthly basis, beginning as of  
4           March 13, 2020.

5           (2) Under the program and effective as of  
6           March 13, 2020, all eligible lenders and guaranty  
7           agencies who have entered agreements with the Sec-  
8           retary under this subsection shall—

9           (A) temporarily waive interest, effectively  
10          reducing the interest rates charged to borrowers  
11          on loans made under this part to 0.00 percent;

12          (B) provide a report to the Secretary no  
13          later than 30 days from the date of such agree-  
14          ment confirming that such interest rates have  
15          been reduced to 0.00 percent effective as of  
16          March 13, 2020; and

17          (C) continue such reduction in interest  
18          rates through September 30, 2020.

19          (3) For purposes of this paragraph, an eligible  
20          lender includes the holder of the loan or, if the hold-  
21          er acts as eligible lender trustee for the beneficial  
22          owner of the loan, the beneficial owner of the loan.

23          (4) Nothing in this paragraph shall affect pay-  
24          ment calculations under section 438 of the Higher  
25          Education Act of 1965 (20 U.S.C. 1087).

1       (b) TEMPORARY POSTPONEMENT OF PART B LOAN  
2 PAYMENTS.—Notwithstanding any other provision of the  
3 Higher Education Act of 1965 (20 U.S.C. 1071 et seq.),  
4 the Secretary shall require eligible lenders and guaranty  
5 agencies with agreements with the Secretary under sub-  
6 section (a) to suspend all payments due from borrowers  
7 through September 30, 2020.

8           (1) CONSIDERATION OF PAYMENTS.—Notwith-  
9 standing any other provision of the Higher Edu-  
10 cation Act of 1965 (20 U.S.C. 1001 et seq.), the  
11 Secretary shall deem each month for which a loan  
12 payment was suspended under this subsection as if  
13 the borrower of the loan had made a qualified pay-  
14 ment for the purpose of any loan forgiveness pro-  
15 gram and loan rehabilitation program authorized  
16 under the Higher Education Act of 1965 (20 U.S.C.  
17 1071 et seq.).

18          (2) REPORTING TO CONSUMER REPORTING  
19 AGENCIES.—During the period in which the bor-  
20 rower payments on a loan are suspended under this  
21 subsection, the Secretary shall ensure that, for the  
22 purpose of reporting information about the loan to  
23 a consumer reporting agency, any payment that has  
24 been suspended is treated as if it were a regularly  
25 scheduled payment made by a borrower.

1       (c) SUSPENDING INVOLUNTARY COLLECTION.—Not-  
2 withstanding any other provision of the Higher Education  
3 Act of 1965 (20 U.S.C. 1071 et seq.), the Secretary shall  
4 require guaranty agencies with agreements with the Sec-  
5 retary under subsection (a) to suspend all involuntary col-  
6 lection related to the loan, through September 30, 2020.  
7 Such efforts shall include—

8           (1) a wage garnishment authorized under sec-  
9 tion 488A of the Higher Education Act of 1965 (20  
10 U.S.C. 1095a) or section 3720D of title 31, United  
11 States Code;

12          (2) a reduction of tax refund by amount of debt  
13 authorized under section 3720A of title 31, United  
14 States Code, or section 6402(d) of the Internal Rev-  
15 enue Code of 1986;

16          (3) a reduction of any other Federal benefit  
17 payment by administrative offset authorized under  
18 section 3716 of title 31, United States Code (includ-  
19 ing a benefit payment due to an individual under the  
20 Social Security Act or any other provision described  
21 in subsection (c)(3)(A)(i) of such section); and

22          (4) any other involuntary collection activity by  
23 the Secretary.

24       (d) NOTICE TO BORROWERS AND TRANSITION PE-  
25 RIOD.—To inform borrowers of the actions taken in ac-

1 cordance with this section and ensure an effective transi-  
2 tion, the Secretary shall require eligible lenders and guar-  
3 anty agencies with agreements under subsection (a) to—

4 (1) not later than 15 days after entering into  
5 such agreement, notify borrowers—

6 (A) of the actions taken in accordance with  
7 this section for whom payments have been sus-  
8 pended and interest waived;

9 (B) of the actions taken in accordance with  
10 subsection (c) for whom collections have been  
11 suspended;

12 (C) of the option to continue making pay-  
13 ments toward principal; and

14 (D) that the program under this section is  
15 a temporary program; and

16 (2) beginning on August 1, 2020, carry out a  
17 program to provide not less than 6 notices by postal  
18 mail, telephone, or electronic communication to bor-  
19 rowers indicating—

20 (A) when the borrower's normal payment  
21 obligations will resume; and

22 (B) that the borrower has the option to  
23 apply for income-driven repayment or other re-  
24 payment or forgiveness programs, including a  
25 brief description of such options.

1       (e) WAIVERS.—In carrying out this section, the Sec-  
2   retary may waive the application of—

3           (1) subchapter I of chapter 35 of title 44,  
4       United States Code (commonly known as the “Pa-  
5       perwork Reduction Act”);

6           (2) the master calendar requirements under  
7       section 482 of the Higher Education Act of 1965  
8       (20 U.S.C. 1089);

9           (3) negotiated rulemaking under section 492 of  
10      the Higher Education Act of 1965 (20 U.S.C.  
11      1098a); and

12          (4) the requirement to publish the notices re-  
13      lated to the system of records of the agency before  
14      implementation required under paragraphs (4) and  
15      (11) of section 552a(e) of title 5, United States  
16      Code (commonly known as the “Privacy Act of  
17      1974”), except that the notices shall be published  
18      not later than 180 days after the date of enactment  
19      of this Act.

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