

# Union Calendar No. 565

116<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4545

**[Report No. 116–682, Part I]**

To provide for the discharge of a private education loan in the case of death or total and permanent disability of a student obligor, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 2019

Ms. DEAN introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

DECEMBER 21, 2020

Additional sponsors: Mr. CASTEN of Illinois, Mr. SHERMAN, Mr. PALLONE, and Mr. KILDEE

DECEMBER 21, 2020

Reported from the Committee on Financial Services with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

DECEMBER 21, 2020

Committee on Ways and Means discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on September 27, 2019]

# **A BILL**

To provide for the discharge of a private education loan in the case of death or total and permanent disability of a student obligor, 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 “Private Loan Disability*  
 5 *Discharge Act of 2019”.*

6 **SEC. 2. PROTECTIONS FOR OBLIGORS AND COSIGNERS IN**  
 7 **CASE OF DEATH OR TOTAL AND PERMANENT**  
 8 **DISABILITY.**

9 *(a) IN GENERAL.—Section 140(g) of the Truth in*  
 10 *Lending Act (15 U.S.C. 1650(g)) is amended—*

11 *(1) in paragraph (2)—*

12 *(A) in the heading, by striking “IN CASE OF*  
 13 *DEATH OF BORROWER”;*

14 *(B) in subparagraph (A), by inserting after*  
 15 *“of the death”, the following: “or total and per-*  
 16 *manent disability”; and*

17 *(C) in subparagraph (C), by inserting after*  
 18 *“of the death”, the following: “or total and per-*  
 19 *manent disability”; and*

20 *(2) by adding at the end the following:*

21 *“(3) DISCHARGE IN CASE OF DEATH OR TOTAL*  
 22 *AND PERMANENT DISABILITY OF BORROWER.—The*  
 23 *holder of a private education loan shall, when notified*  
 24 *of the death or total and permanent disability of a*  
 25 *student obligor, discharge the liability of the student*

1        *obligor on the loan and may not, after such notifica-*  
 2        *tion—*

3                *“(A) attempt to collect on the outstanding*  
 4                *liability of the student obligor; and*

5                *“(B) in the case of total and permanent dis-*  
 6                *ability, monitor the disability status of the stu-*  
 7                *dent obligor at any point after the date of dis-*  
 8                *charge.*

9                *“(4) TOTAL AND PERMANENT DISABILITY DE-*  
 10                *FINED.—For the purposes of this subsection and with*  
 11                *respect to an individual, the term ‘total and perma-*  
 12                *nent disability’ means the individual is totally and*  
 13                *permanently disabled, as such term is defined in sec-*  
 14                *tion 685.102(b) of title 34 of the Code of Federal Reg-*  
 15                *ulations.*

16                *“(5) PRIVATE DISCHARGE IN CASES OF CERTAIN*  
 17                *DISCHARGE FOR DEATH OR DISABILITY.—The holder*  
 18                *of a private education loan shall, when notified of the*  
 19                *discharge of liability of a student obligor on a loan*  
 20                *described under section 108(f)(5)(A) of the Internal*  
 21                *Revenue Code of 1986, discharge any liability of the*  
 22                *student obligor (and any cosigner) on any private*  
 23                *education loan which the private education loan hold-*  
 24                *er holds and may not, after such notification—*

1           “(A) attempt to collect on the outstanding  
2           liability of the student obligor; and

3           “(B) in the case of total and permanent dis-  
4           ability, monitor the disability status of the stu-  
5           dent obligor at any point after the date of dis-  
6           charge.”.

7           (b) *TAX LIABILITY*.—Section 108(f)(5)(A) of the *Inter-*  
8           *nal Revenue Code of 1986* (26 U.S.C. 108(f)(5)(A)) is  
9           amended—

10           (1) by striking “, and before January 1, 2026”;

11           (2) in clause (ii), by striking “or”;

12           (3) by redesignating clause (iii) as clause (iv);

13           and

14           (4) by inserting after clause (ii) the following:

15                   “(iii) pursuant to paragraph (3) or (5)  
16                   of section 140(g) of the *Truth in Lending*  
17                   *Act, or*”.

18           (c) *RULEMAKING*.—The Director of the Bureau of Con-  
19           sumer Financial Protection may issue rules to implement  
20           the amendments made by subsection (a) as the Director de-  
21           termines appropriate.

22           (d) *EFFECTIVE DATE*.—The amendments made by this  
23           section shall take effect 1 year after the date of the enact-  
24           ment of this Act.

Union Calendar No. 565

116TH CONGRESS  
2D Session

**H. R. 4545**

[Report No. 116-682, Part I]

**A BILL**

To provide for the discharge of a private education loan in the case of death or total and permanent disability of a student obligor, and for other purposes.

DECEMBER 21, 2020

Reported from the Committee on Financial Services with  
an amendment

DECEMBER 21, 2020

Committee on Ways and Means discharged; committed to  
the Committee of the Whole House on the State of the  
Union and ordered to be printed