

116TH CONGRESS 1ST SESSION

S. 2235

To discharge the qualified loan amounts of each individual, and for other purposes.

IN THE SENATE OF THE UNITED STATES

July 23, 2019

Ms. Warren introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To discharge the qualified loan amounts of each individual, 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 "Student Loan Debt
- 5 Relief Act of 2019".
- 6 SEC. 2. TABLE OF CONTENTS.
- 7 The table of contents for this Act is as follows:
 - Sec. 1. Short title.
 - Sec. 2. Table of contents.

TITLE I—LOAN DISCHARGE AND FORBEARANCE

- Sec. 101. Loan discharge.
- Sec. 102. Automatic administrative forbearance; halting of wage garnishment.

Sec. 103. Staying and prohibition on commencement of actions for collection.

Sec. 104. Ineligibility for Treasury Offset.

TITLE II—REFINANCING PROGRAMS

Sec. 201. Refinancing programs.

TITLE III—DISCHARGEABILITY OF STUDENT LOANS IN BANKRUPTCY

Sec. 301. Dischargeability of student loans in bankruptcy.

TITLE IV—GENERAL PROVISIONS

- Sec. 401. Report on progress of implementation.
- Sec. 402. Notification to borrowers.
- Sec. 403. Inapplicability of title IV negotiated rulemaking and master calendar exception.

Sec. 404. Definitions.

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TITLE I—LOAN DISCHARGE AND

2 **FORBEARANCE**

- 3 SEC. 101. LOAN DISCHARGE.
- 4 (a) IN GENERAL.—Subject to subsection (f), not later
- 5 than the date that is 12 months after the date of enact-
- 6 ment of this Act, the Secretary of Education shall dis-
- 7 charge the qualified loan amount of each individual, with-
- 8 out regard to the repayment status of the loan or whether
- 9 the loan is in default.
- 10 (b) QUALIFIED LOAN AMOUNT.—
- 11 (1) In General.—The qualified loan amount
- of an individual is an amount equal to the lesser
- 13 of—
- 14 (A) \$50,000; and
- 15 (B) the aggregate loan obligation on the el-
- igible Federal loans of the taxpayer that is out-
- standing on the date of enactment of this Act

or, in the case of such loans issued under section 460B of the Higher Education Act of 1965, as added by title II of this Act, on the date on which such loans are issued under such section 460B.

(2) Limitation based on adjusted gross income.—The amount discharged under subsection (a) with respect to an individual shall be reduced (but not below zero) by \$1 for each \$3 (or fraction thereof) by which the taxpayer's adjusted gross income exceeds \$100,000 (twice such amount in the case of a joint return) for the most recent taxable year ending before the date of the enactment of this Act.

(c) Method of Loan Discharge.—

- (1) In General.—To provide the loan discharge required under subsection (a), the Secretary is authorized to carry out a program—
 - (A) through the holder of the loan, to assume the obligation to repay the qualified loan amount for a loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.);
- (B) to cancel the qualified loan amount for a loan made under part D of title IV of the

- Higher Education Act of 1965 (20 U.S.C. 1087a et seq.), or assigned, referred, or trans-ferred to, or purchased by, the Secretary under such title IV (20 U.S.C. 1070 et seq.), including a Federal Direct Stafford Loan issued under section 460B of the Higher Education Act of 1965, as added by title II of this Act; and
 - (C) through the institution of higher education that made the loan from its student loan fund established under part E of such title (20 U.S.C. 1087aa et seq.), to assume the obligation to repay the qualified loan amount for such loan.
 - (2) ORDER OF LOAN DISCHARGE.—With respect to an individual with at least 2 eligible Federal loans, the Secretary shall discharge the loans of the individual as follows (except as otherwise indicated by the individual):
 - (A) In the case in which the individual has loans with different rates of interest, the loans should be discharged in descending order by rate of interest.
- 24 (B) In the case in which the individual has 25 loans with the same rates of interest, the loans

1	should be discharged in descending order by
2	amount of outstanding principal.
3	(d) Exclusion From Taxable Income.—For pur-
4	poses of the Internal Revenue Code of 1986, in the case
5	of an individual, gross income does not include any
6	amount which (but for this subsection) would be includible
7	in gross income by reason of the discharge (in whole or
8	in part) of any loan if such discharge was pursuant to
9	this title.
10	(e) Taxpayer Information.—
11	(1) IN GENERAL.—The Secretary of the Treas-
12	ury may, upon written request from the Secretary of
13	Education, disclose to officers and employees of the
14	Department of Education return information with
15	respect to a taxpayer who has received eligible Fed-
16	eral loans that are outstanding on the date described
17	in subsection (b)(1)(B). Such return information
18	shall be limited to—
19	(A) taxpayer identity information with re-
20	spect to such taxpayer;
21	(B) the filing status of such taxpayer; and
22	(C) the adjusted gross income of such tax-
23	payer.
24	(2) RESTRICTION ON USE OF DISCLOSED IN-
25	FORMATION.—Return information disclosed under

- 1 paragraph (1) may be used by officers and employ-
- ees of the Department of Education only for the
- 3 purposes of, and to the extent necessary in, estab-
- 4 lishing the appropriate qualified loan amount of a
- 5 taxpayer.
- 6 (f) Long-Term Settle and Compromise Dis-
- 7 CHARGE AUTHORITY.—Not later than the date that is 24
- 8 months after the date of enactment of this Act, the Sec-
- 9 retary of Education may use the authority under sections
- 432(a)(6) and 468(2) of the Higher Education Act of
- 11 1965 (20 U.S.C. 1082(a)(6); 1087hh(2)) to discharge
- 12 loans under this section beyond the period described in
- 13 subsection (a) for—
- 14 (1) an individual who, through an appeals proc-
- ess established by the Secretary, successfully appeals
- a loan discharge determination by the Secretary
- under this section;
- 18 (2) an individual who, due to special cir-
- cumstances, misses a deadline established by the
- 20 Secretary in the administration of loan discharges
- 21 under this section; or
- 22 (3) an individual (or a group of individuals)
- 23 who the Secretary determines should have received a
- loan discharge or a discharge amount that is dif-
- 25 ferent from the amount of loan discharge received

- 1 under this section, except that a loan discharge
- 2 amount received under this subsection may not ex-
- 3 ceed the qualified loan amount determined for the
- 4 individual (or the group of individuals) under sub-
- 5 section (b).
- 6 (g) Private Student Loan Discharge.—Not
- 7 later than the date that is 3 months after the date of en-
- 8 actment of this Act, the Secretary of Education, in coordi-
- 9 nation with the Secretary of the Treasury and the Director
- 10 of the Bureau of Consumer Financial Protection, shall un-
- 11 dertake a campaign to alert borrowers of private education
- 12 loans—
- 13 (1) that such borrowers may be eligible to refi-
- nance such private loans as Federal Direct Stafford
- Loans under section 460B of the Higher Education
- Act of 1965, as added by title II of this Act; and
- 17 (2) such Federal Direct Stafford Loans may be
- eligible for loan discharge under this section.
- 19 (h) Credit Reporting.—In the case of a borrower
- 20 of an eligible Federal loan that was in default prior to
- 21 being discharged under this section and on which, as a
- 22 result of such loan discharge, there is no outstanding bal-
- 23 ance of principal or interest, the Secretary, guaranty agen-
- 24 cy or other holder of the loan shall request any consumer
- 25 reporting agency to which the Secretary, guaranty agency

- 1 or holder, as applicable, reported the default of the loan,
- 2 to remove the record of the default from the borrower's
- 3 credit history.
- 4 (i) Members of Congress.—In this section, the
- 5 terms "individual" and "taxpayer" do not include a Mem-
- 6 ber of Congress.

7 SEC. 102. AUTOMATIC ADMINISTRATIVE FORBEARANCE;

- 8 HALTING OF WAGE GARNISHMENT.
- 9 During the period beginning on the date of enactment
- 10 of this Act and ending on the date that is 12 months after
- 11 such date of enactment, the Secretary of Education—
- 12 (1) shall place each borrower of an eligible Fed-
- eral loan with an outstanding balance, without any
- further action required by the borrower (except that
- the borrower may opt-out of this section), on an ad-
- ministrative forbearance during which periodic in-
- stallments of principal need not be paid, and interest
- shall not accrue, on such loan; and
- 19 (2) may not issue an order for wage garnish-
- 20 ment or withholding under section 488A of the
- 21 Higher Education Act of 1965 (20 U.S.C. 1095a) or
- section 3720D of title 31, United States Code, ini-
- 23 tiate proceedings to collect debt through deductions
- from pay under such section 488A or 3720D, or en-
- force or otherwise require compliance with a wage

1	garnishment or withholding order issued under such
2	section 488A or 3720D before the date of enactment
3	of this Act (which shall include staying any related
4	proceedings).
5	SEC. 103. STAYING AND PROHIBITION ON COMMENCEMENT
6	OF ACTIONS FOR COLLECTION.
7	Until 12 months after the date of enactment of this
8	Act, no eligible Federal loan may be referred to the Attor-
9	ney General for any action seeking collection of any
10	amount owed on that loan and any action pending as of
11	the date of enactment of this Act shall be stayed.
12	SEC. 104. INELIGIBILITY FOR TREASURY OFFSET.
13	Until 12 months after the date of enactment of this
14	Act, no claim pertaining to an eligible Federal loan may
15	be certified under section $3716(c)(1)$ of title 31, United
16	States Code.
17	TITLE II—REFINANCING
18	PROGRAMS
19	SEC. 201. REFINANCING PROGRAMS.
20	(a) Program Authority.—Section 451(a) of the
21	Higher Education Act of 1965 (20 U.S.C. 1087a(a)) is
22	amended—
23	(1) by striking "and (2)" and inserting "(2)";
24	and

- 1 (2) by inserting "; and (3) to make loans under
- 2 section 460A and section 460B" after "section
- 3 459A''.
- 4 (b) Refinancing Program.—Part D of title IV of
- 5 the Higher Education Act of 1965 (20 U.S.C. 1087a et
- 6 seq.) is amended by adding at the end the following:
- 7 "SEC. 460A. REFINANCING FFEL AND FEDERAL DIRECT
- 8 LOANS.
- 9 "(a) IN GENERAL.—Beginning not later than 12
- 10 months after the date of enactment of the Student Loan
- 11 Debt Relief Act of 2019, the Secretary shall establish a
- 12 program under which the Secretary automatically refi-
- 13 nances loans made under this part in accordance with the
- 14 provisions of this section, in order to lower the rate of
- 15 interest on such loans.
- 16 "(b) Refinancing Direct Loans.—
- 17 "(1) FEDERAL DIRECT LOANS.—With respect
- to each Federal Direct Stafford Loan, Federal Di-
- 19 rect Unsubsidized Stafford Loan, Federal Direct
- 20 PLUS Loan, and Federal Direct Consolidation
- Loan, for which the first disbursement was made to
- a borrower, or the application for the consolidation
- loan was received from a borrower, on or before the
- date of enactment of the Student Loan Debt Relief
- Act of 2019, the Secretary shall, without any further

1	action by the borrower (other than under subpara-
2	graph (C))—
3	"(A) discharge the liability on such Fed-
4	eral Direct Stafford Loan, Federal Direct Un-
5	subsidized Stafford Loan, Federal Direct PLUS
6	Loan, or Federal Direct Consolidation Loan;
7	"(B) issue to the borrower a new Federal
8	Direct Stafford Loan, Federal Direct Unsub-
9	sidized Stafford Loan, Federal Direct PLUS
10	Loan, or Federal Direct Consolidation Loan, re-
11	spectively—
12	"(i) in an amount equal to the sum of
13	the unpaid principal, accrued unpaid inter-
14	est, and late charges of the loan for which
15	the liability is being discharged under sub-
16	paragraph (A); and
17	"(ii) which has the same terms and
18	conditions as the original loan, except that
19	the rate of interest shall be determined
20	under subsection (c); and
21	"(C) provide the borrower an opportunity
22	to opt-out of the refinancing under this para-
23	graph.
24	"(2) Refinancing ffel program loans as
25	REFINANCED FEDERAL DIRECT LOANS.—

1	"(A) IN GENERAL.—With respect to each
2	loan that was made, insured, or guaranteed
3	under part B and for which the first disburse-
4	ment was made to a borrower, or the applica-
5	tion for the consolidation loan was received
6	from a borrower, before July 1, 2010, the Sec-
7	retary shall, without any further action by the
8	borrower (other than to provide the borrower an
9	opportunity to opt-out of the refinancing under
10	this paragraph), issue to the borrower a loan
11	made under this part—
12	"(i) in an amount equal to the sum of
13	the unpaid principal, accrued unpaid inter-
14	est, and late charges of the loan selected to
15	be so refinanced;
16	"(ii) the proceeds of which shall be
17	paid to the holder of the loan selected to
18	be so refinanced to discharge the liability
19	on such loan; and
20	"(iii) which has a rate of interest de-
21	termined under subsection (c).
22	"(B) Designation of Loans.—A loan
23	issued under this section the proceeds of which
24	is discharging the liability on a loan made, in-
25	sured, or guaranteed—

1	"(i) under section 428 shall be a Fed-
2	eral Direct Stafford Loan;
3	"(ii) under section 428B shall be a
4	Federal Direct PLUS Loan;
5	"(iii) under section 428H shall be a
6	Federal Direct Unsubsidized Stafford
7	Loan; and
8	"(iv) under section 428C shall be a
9	Federal Direct Consolidation Loan.
10	"(c) Interest Rates.—
11	"(1) In general.—The interest rate for Fed-
12	eral Direct Stafford Loans, Federal Direct Unsub-
13	sidized Stafford Loans, Federal Direct PLUS
14	Loans, and Federal Direct Consolidation Loans
15	issued under this section, shall be a rate equal to—
16	"(A) in a case in which the original loan
17	is a loan under section 428 or 428H, a Federal
18	Direct Stafford loan, or a Federal Direct Un-
19	subsidized Stafford Loan, that was issued to an
20	undergraduate student, the rate for Federal Di-
21	rect Stafford Loans and Federal Direct Unsub-
22	sidized Stafford Loans issued to undergraduate
23	students for the 12-month period beginning on
24	July 1, 2016, and ending on June 30, 2017;

1	"(B) in a case in which the original loan
2	is a loan under section 428 or 428H, a Federal
3	Direct Stafford Loan, or a Federal Direct Un-
4	subsidized Stafford Loan, that was issued to a
5	graduate or professional student, the rate for
6	Federal Direct Unsubsidized Stafford Loans
7	issued to graduate or professional students for
8	the 12-month period beginning on July 1, 2016,
9	and ending on June 30, 2017;
10	"(C) in an case in which the original loan
11	is a loan under section 428B or a Federal Di-
12	rect PLUS Loan, the rate for Federal Direct
13	PLUS Loans for the 12-month period begin-
14	ning on July 1, 2016, and ending on June 30,
15	2017; and
16	"(D) in a case in which the original loan
17	is a loan under section 428C or a Federal Di-
18	rect Consolidation Loan, a rate calculated in ac-
19	cordance with paragraph (2).
20	"(2) Interest rates for consolidation
21	LOANS.—
22	"(A) METHOD OF CALCULATION.—To de-
23	termine the interest rate for a Federal Direct
24	Federal Consolidation Loan issued under this
25	section, the Secretary shall—

1	"(i) determine each original loan for
2	which the liability was discharged by the
3	proceeds of a loan under section 428C or
4	a Federal Direct Consolidation Loan, and
5	calculate the proportion of the unpaid prin-
6	cipal balance of the loan under section
7	428C or the Federal Direct Consolidation
8	Loan that is applicable to each such origi-
9	nal loan;
10	"(ii) use the proportions determined
11	in accordance with clause (i) and the inter-
12	est rate applicable for each original loan,
13	as determined under subparagraph (B), to
14	calculate the weighted average of the inter-
15	est rates on the loans consolidated into the
16	loan under section 428C or the Federal Di-
17	rect Consolidation Loan; and
18	"(iii) apply the weighted average cal-
19	culated under clause (ii) as the interest
20	rate for the Federal Direct Consolidation
21	Loan made under this section and for
22	which the interest rate is being determined
23	under this paragraph.
24	"(B) Interest rates for component
25	LOANS.—The interest rate for each original

1	loan for which the liability is discharged by the
2	proceeds of loan made under section 428C or a
3	Federal Direct Consolidation Loan shall be the
4	following:
5	"(i) The interest rate for any such
6	original loan made, insured or guaranteed
7	under section 428 or 428H, or that is a
8	Federal Direct Stafford Loan or Federal
9	Direct Unsubsidized Stafford Loan, issued
10	to an undergraduate student shall be a
11	rate equal to the lesser of—
12	"(I) the rate for Federal Direct
13	Stafford Loans and Federal Direct
14	Unsubsidized Stafford Loans issued
15	to undergraduate students for the 12-
16	month period beginning on July 1,
17	2016, and ending on June 30, 2017;
18	or
19	"(II) the interest rate on such
20	original loan.
21	"(ii) The interest rate for any such
22	original loan made, insured or guaranteed
23	under section 428 or 428H, or that is a
24	Federal Direct Stafford Loan, or Federal
25	Direct Unsubsidized Stafford Loan, issued

1	to a graduate or professional student shall
2	be a rate equal to the lesser of—
3	"(I) the rate for Federal Direct
4	Unsubsidized Stafford Loans issued
5	to graduate or professional students
6	for the 12-month period beginning on
7	July 1, 2016, and ending on June 30,
8	2017; or
9	"(II) the interest rate on the
10	original loan.
11	"(iii) The interest rate for any such
12	original loan made, insured or guaranteed
13	under section 428B or that is a Federal
14	Direct PLUS Loan shall be a rate equal to
15	the lesser of—
16	"(I) the rate for Federal Direct
17	PLUS Loans for the 12-month period
18	beginning on July 1, 2016, and end-
19	ing on June 30, 2017; or
20	"(II) the interest rate on the
21	original loan.
22	"(iv) The interest rate for any such
23	original loan that is a loan under section
24	428C or a Federal Direct Consolidation
25	Loan shall be the weighted average of the

1 interest rates determined under this sub-2 paragraph for each loan for which the li-3 ability is discharged by the proceeds of such consolidation loan. "(v) The interest rate for any original 6 loan for which the liability was discharged 7 with the proceeds of a loan made under 8 section 428C or a Federal Direct Consoli-9 dation Loan and is not described in clauses 10 (i) through (iv) shall be the interest rate 11 on such original loan. 12 "(3) FIXED RATE.—The applicable rate of in-13 terest determined under paragraph (1) for a loan 14 issued under this section shall be fixed for the period 15 of the loan. 16 "(d) Repayment Periods.—A loan issued under this section shall not result in the extension of the duration of the repayment period of the original loan, and the 18 19 borrower shall retain the same repayment term that was in effect on the original loan. Nothing in this paragraph 20 21 shall be construed to prevent a borrower from electing a 22 different repayment plan at any time in accordance with 23 section 455(d)(3). 24 "(e) Original Loan Defined.—In this section, the

term 'original loan' means a loan for which the liability

1 is discharged with the proceeds of a loan issued under this2 section.

3 "SEC. 460B. REFINANCING OF PRIVATE EDUCATION LOANS.

"(a) Program Authorized.—

- "(1) IN GENERAL.—During the period beginning on the date that is 6 months after the date of enactment of the Student Loan Debt Relief Act of 2019, and ending on the date that is 9 months after such date of enactment, the Secretary, in consultation with the Secretary of the Treasury, shall carry out a program under which the Secretary, upon receiving an application from a borrower who has a loan obligation on an eligible private education loan, shall issue such borrower a loan under this section in accordance with the following:
 - "(A) The loan issued under this section shall be in an amount equal to the sum of the unpaid principal, accrued unpaid interest, and late charges of the private education loan.
 - "(B) The Secretary shall pay the proceeds of the loan issued under this section to the private educational lender (or subsequent holder) of the private education loan, in order to discharge the borrower and any cosigners from

1	any remaining obligation to the lender with re-
2	spect to the private education loan.
3	"(C) The Secretary shall require that the
4	borrower undergo loan counseling that provides
5	all of the information and counseling required
6	under clauses (i) through (viii) of section
7	485(b)(1)(A) before the carrying out subpara-
8	graphs (A) and (B) with respect to such bor-
9	rower.
10	"(D) The Secretary shall issue the loan as
11	a Federal Direct Stafford Loan with a rate of
12	interest determined under subsection (b).
13	"(b) Interest Rate.—
14	"(1) In general.—The interest rate for a
15	Federal Direct Stafford Loan issued under this sec-
16	tion shall be—
17	"(A) in the case of a Federal Direct Staf-
18	ford Loan discharging the liability on a private
19	education loan issued for undergraduate post-
20	secondary educational expenses, a rate equal to
21	the rate for Federal Direct Stafford Loans and
22	Federal Direct Unsubsidized Stafford Loans
23	issued to undergraduate students for the 12-
24	month period beginning on July 1, 2016, and

ending on June 30, 2017; and

1 "(B) in the case of a Federal Direct Staf-2 ford Loan discharging the liability on a private 3 education loan issued for graduate or profes-4 sional degree postsecondary educational expenses, a rate equal to the rate for Federal Direct Unsubsidized Stafford Loans issued to 6 7 graduate or professional students for the 12-8 month period beginning on July 1, 2016, and 9 ending on June 30, 2017.

- "(2) Combined undergraduate and graduate Study Loans.—In the case of a Federal Direct Stafford Loan discharging the liability on a private education loan issued for both undergraduate and graduate or professional postsecondary educational expenses, the interest rate shall be a rate equal to the rate for Federal Direct PLUS Loans for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017.
- "(3) FIXED RATE.—The applicable rate of interest determined under this subsection for a Federal Direct Stafford Loan issued under this section shall be fixed for the period of the loan.
- 23 "(c) No Inclusion in Aggregate Limits.—The 24 amount of a Federal Direct Stafford Loan issued under 25 this section, or a Federal Direct Consolidated Loan to the

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- 1 extent such loan is used to repay such a Federal Direct
- 2 Stafford Loan, shall not be included in calculating a bor-
- 3 rower's annual or aggregate loan limits under section 428
- 4 or 428H.
- 5 "(d) Private Educational Lender Reporting
- 6 Requirement.—
- 7 "(1) Reporting required.—Not later than 6
- 8 months after the date of enactment of the Student
- 9 Loan Debt Relief Act of 2019, the Secretary, in con-
- sultation with the Secretary of the Treasury and the
- Director of the Bureau of Consumer Financial Pro-
- tection, shall establish a requirement that private
- educational lenders report the data described in
- paragraph (2) to the Secretary, to Congress, to the
- 15 Secretary of the Treasury, and to the Director of the
- Bureau of Consumer Financial Protection, in order
- to allow for an assessment of the private education
- loan market.
- 19 "(2) Contents of Reporting.—The data
- that private educational lenders shall report in ac-
- cordance with paragraph (1) shall include each of
- 22 the following about private education loans (as de-
- fined in section 140(a) of the Truth in Lending Act
- 24 (15 U.S.C. 1650(a))):

1	"(A) The total amount of private education
2	loan debt the lender holds.
3	"(B) The total number of private edu-
4	cation loan borrowers the lender serves.
5	"(C) The average interest rate on the out-
6	standing private education loan debt held by the
7	lender.
8	"(D) The proportion of private education
9	loan borrowers who are in default on a loan
10	held by the lender.
11	"(E) The proportion of the outstanding
12	private education loan volume held by the lend-
13	er that is in default.
14	"(F) The proportions of outstanding pri-
15	vate education loan borrowers who are 30, 60,
16	and 90 days delinquent.
17	"(G) The proportions of outstanding pri-
18	vate education loan volume that is 30, 60, and
19	90 days delinquent.
20	"(e) Sunset.—The authority to issue loans under
21	this section shall expire on the date that is 8 months after
22	the date of enactment of the Student Loan Debt Relief
23	Act of 2019.
24	"(f) Definitions.—In this section:

1	"(1) Private educational lender.—The
2	term 'private educational lender' has the meaning
3	given the term in section 140(a) of the Truth in
4	Lending Act (15 U.S.C. 1650(a)).
5	"(2) Eligible private education loan.—
6	The term 'eligible private education loan' means a
7	private education loan, as defined in section 140(a)
8	of the Truth in Lending Act (15 U.S.C. 1650(a)),
9	that—
10	"(A) was disbursed to the borrower on or
11	before the date of enactment of the Student
12	Loan Debt Relief Act of 2019; and
13	"(B) was for the borrower's own postsec-
14	ondary educational expenses for an eligible pro-
15	gram at an institution of higher education par-
16	ticipating in the loan program under this part,
17	as of the date that the loan was disbursed.".
18	(c) Income-Contingent Repayment.—Section
19	$455(\mathrm{d})(1)(\mathrm{D})$ of the Higher Education Act of 1965 (20
20	U.S.C. $1087e(d)(1)(D)$ is amended by inserting before
21	the semicolon at the end the following: ", and in calcu-
22	lating the period of time during which a borrower of a
23	loan issued under section 460A has made monthly pay-
24	ments on such loan for purposes of the plan described in
25	this subparagraph, the Secretary shall treat each monthly

- 1 payment that otherwise meets the requirements of such
- 2 plan and that was made on a loan for which the liability
- 3 is discharged by the proceeds of such loan issued under
- 4 section 460A, as a monthly payment made on such loan
- 5 issued under section 460A".
- 6 (d) Public Service Loan Forgiveness.—Section
- 7 455(m) of the Higher Education Act of 1965 (20 U.S.C.
- 8 1087e(m)) is amended—
- 9 (1) by redesignating paragraphs (3) and (4) as
- paragraphs (4) and (5), respectively; and
- 11 (2) by inserting after paragraph (2) the fol-
- lowing:
- 13 "(3) Treatment of Loans issued under
- 14 SECTION 460A.—Notwithstanding paragraph (1), in
- determining the number of monthly payments made
- under paragraph (1) on an eligible Federal Direct
- 17 Loan issued under section 460A the proceeds of
- which discharges the liability on a loan made under
- this part, the Secretary shall treat each monthly
- payment made under paragraph (1) on the loan be-
- 21 fore the liability on such loan was so discharged as
- a monthly payment made on such eligible Federal
- 23 Direct Loan.";

1	(e) Income-Based Repayment.—Section 493C of
2	the Higher Education Act of 1965 (20 U.S.C. 1098e) is
3	amended by adding at the end the following:
4	"(f) Treatment of Refinanced Loans.—In cal-
5	culating the period of time during which a borrower of
6	a loan issued under section 460A has made monthly pay-
7	ments on such loan for purposes of subsection (b)(7), the
8	Secretary shall treat each monthly payment that otherwise
9	meets the requirements of this section and that was made
10	on a loan for which the liability is discharged by the pro-
11	ceeds of such loan issued under section 460A, as a month-
12	ly payment made on such loan issued under section
13	460A.".
	460A.". TITLE III—DISCHARGEABILITY
14	TITLE III—DISCHARGEABILITY
14 15	TITLE III—DISCHARGEABILITY OF STUDENT LOANS IN BANK-
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114 115 116 117 118	TITLE III—DISCHARGEABILITY OF STUDENT LOANS IN BANK- RUPTCY SEC. 301. DISCHARGEABILITY OF STUDENT LOANS IN BANKRUPTCY. (1) EXCEPTION TO DISCHARGE.—Section
14 15 16 17 18 19 20	TITLE III—DISCHARGEABILITY OF STUDENT LOANS IN BANK- RUPTCY SEC. 301. DISCHARGEABILITY OF STUDENT LOANS IN BANKRUPTCY. (1) EXCEPTION TO DISCHARGE.—Section 523(a) of title 11 of the United States Code is
14 15 16 17 18 19 20 21	TITLE III—DISCHARGEABILITY OF STUDENT LOANS IN BANK- RUPTCY SEC. 301. DISCHARGEABILITY OF STUDENT LOANS IN BANKRUPTCY. (1) EXCEPTION TO DISCHARGE.—Section 523(a) of title 11 of the United States Code is amended by striking paragraph (8).

TITLE IV—GENERAL 1 **PROVISIONS** 2 3 SEC. 401. REPORT ON PROGRESS OF IMPLEMENTATION. 4 Not later than the date that is 6 months after the 5 date of enactment of this Act, the Secretary of Education and the Secretary of the Treasury shall, jointly, submit 6 7 to Congress a report on the progress of the implementation of the provisions of titles I and II. 9 SEC. 402. NOTIFICATION TO BORROWERS. 10 (a) IN GENERAL.—Not later than the date that is 11 3 months after the date of enactment of this Act— 12 (1) the Secretary of Education— 13 (A) shall take such steps as may be nec-14 essary to notify borrowers of an eligible Federal 15 loan of the loan discharge available under title 16 I, including the applicable deadlines; 17 (B) in coordination with the Secretary of 18 the Treasury and the Director of the Bureau of 19 Consumer Financial Protection, shall undertake 20 a campaign to notify borrowers of loans made, 21 insured, or guaranteed under part B or D of 22 title IV of the Higher Education Act of 1965 23 that such borrowers may be eligible to refinance 24 such loans at a lower rate of interest under sec-

tion 460A of the Higher Education Act of

1	1965, as added by title II of this Act, which
2	campaign shall include—
3	(i) developing consumer information
4	materials about the availability of such re-
5	financing; and
6	(ii) requiring servicers of such loans
7	to provide such consumer information to
8	borrowers in a manner determined appro-
9	priate by the Secretary, in consultation
10	with the Director of the Bureau of Con-
11	sumer Financial Protection; and
12	(C) in coordination with the Secretary of
13	the Treasury and the Director of the Bureau of
14	Consumer Financial Protection, shall undertake
15	a campaign to alert borrowers of private edu-
16	cation loans—
17	(i) that such borrowers may be eligible
18	to refinance such private loans as Federal
19	Direct Stafford Loans under section 460B
20	of the Higher Education Act of 1965, as
21	added by title II of this Act; and
22	(ii) such Federal Direct Stafford
23	Loans may be eligible for loan discharge
24	under title I of this Act; and

1	(2) the Secretary of Health and Human Serv-
2	ices, in consultation with the Secretary of Edu-
3	cation, shall take such steps as may be necessary to
4	inform borrowers of a loan made, insured, or guar-
5	anteed by the Department of Health and Human
6	Services that is eligible for consolidation under sec-
7	tion 455(g) of the Higher Education Act of 1965
8	(20 U.S.C. 1087e(g)), that the—
9	(A) borrower may be eligible for a Federal
10	Direct Consolidation Loan under such section
11	455(g); and
12	(B) such Federal Direct Consolidation
13	Loan may be eligible for loan discharge under
14	title I of this Act.
15	(b) Notification by Private Education Loan
16	HOLDERS.—Each holder of a private education loan shall,
17	not later than the date that is 3 months after the date
18	of enactment of this Act, notify the borrower of such pri-
19	vate education loan that the borrower may be eligible to
20	refinance the private education loan as a Federal Direct
21	Stafford Loan under section 460B of the Higher Edu-
22	cation Act of 1965, and such Federal Direct Stafford
23	Loan may be eligible for loan discharge under title I of
24	this Act.

1	SEC. 403. INAPPLICABILITY OF TITLE IV NEGOTIATED
2	RULEMAKING AND MASTER CALENDAR EX-
3	CEPTION.
4	Sections 482(c) and 492 of the Higher Education Act
5	of 1965 (20 U.S.C. 1089(c), 1098a) shall not apply to
6	this Act or any amendments made by this Act, or to any
7	regulations promulgated under this Act or under such
8	amendments.
9	SEC. 404. DEFINITIONS.
10	In this Act:
11	(1) Eligible federal loan.—The term "eli-
12	gible Federal loan" means—
13	(A) a loan made, insured, or guaranteed
14	under title IV of the Higher Education Act of
15	1965 (20 U.S.C. 1071 et seq.) (other than a
16	loan described in subparagraph (B)) on or be-
17	fore the date of enactment of this Act; or
18	(B) a Federal Direct Stafford Loan issued
19	under section 460B of the Higher Education
20	Act of 1965, as added by title II of this Act,
21	on a date that is not later than 9 months after
22	the date of enactment of this Act.
23	(2) PRIVATE EDUCATION LOAN.—The term
24	"private education loan" has the meaning given such
25	term in section 140(a) of the Truth in Lending Act
26	(15 U.S.C. 1650(a)).

1	(3) Secretary.—The term "Secretary" means
2	the Secretary of Education.
3	(4) TAXPAYER.—The term "taxpayer" has the
4	meaning given such term in section 7701 of the In-
5	ternal Revenue Code of 1986.

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