

116TH CONGRESS
1ST SESSION

H. R. 5287

To amend the Fair Debt Collection Practices Act to prohibit debt collectors from collecting on certain Federal student loan debt when the borrower would not be required to make payments under an income-driven repayment plan, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 3, 2019

Mr. LAWSON of Florida introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on the Judiciary, and Education and Labor, 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

A BILL

To amend the Fair Debt Collection Practices Act to prohibit debt collectors from collecting on certain Federal student loan debt when the borrower would not be required to make payments under an income-driven repayment plan, 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 “Fair Student Loan
5 Debt Collection Practices Act”.

1 **SEC. 2. COLLECTION RESTRICTIONS WITH RESPECT TO**
2 **FEDERAL STUDENT LOANS.**

3 (a) IN GENERAL.—The Fair Debt Collection Prac-
4 tices Act (15 U.S.C. 1692 et seq.) is amended—

5 (1) by inserting after section 811 the following:

6 **“§ 811A. Collection restrictions with respect to Fed-**
7 **eral student loans**

8 “(a) PROHIBITION ON COLLECTING FROM BOR-
9 ROWERS BELOW CERTAIN INCOME GUIDELINES.—A debt
10 collector may not attempt to collect a Federal student loan
11 debt from a borrower during any period of time when a
12 similarly situated borrower would not be required to make
13 a payment under an income-driven repayment plan.

14 “(b) LIMITATION ON AMOUNTS COLLECTED BASED
15 ON CERTAIN INCOME GUIDELINES.—During any 1-month
16 period, a debt collector may not attempt to collect from
17 a borrower an amount with respect to a Federal student
18 loan debt that exceeds the amount that a similarly situ-
19 ated borrower would be required to make for such month
20 under an income-driven repayment plan.

21 “(c) CERTIFICATION BEFORE ACCEPTING PAY-
22 MENT.—A debt collector may not accept any payment with
23 respect to a Federal student loan debt unless the debt col-
24 lector first certifies to the borrower that the borrower is
25 not eligible for any administrative discharge of such debt.

26 “(d) DEFINITIONS.—In this section:

1 “(1) DEBT COLLECTOR.—The term ‘debt col-
2 lector’—

3 “(A) has the meaning given the term
4 under section 803; and

5 “(B) means any other person that enters
6 into a contract with the Secretary of Education
7 pursuant to section 456 of the Higher Edu-
8 cation Act of 1965 (20 U.S.C. 1087f) to collect
9 on a loan made, insured, or guaranteed under
10 title IV of such Act (20 U.S.C. 1070 et seq.).

11 “(2) FEDERAL STUDENT LOAN.—The term
12 ‘Federal student loan’ means a loan made, insured,
13 or guaranteed under title IV of the Higher Edu-
14 cation Act of 1965.

15 “(3) FEDERAL STUDENT LOAN DEBT.—The
16 term ‘Federal student loan debt’ means a debt with
17 respect to a Federal student loan.

18 “(4) INCOME-DRIVEN REPAYMENT PLAN.—The
19 term ‘income-driven repayment plans’ means an in-
20 come-driven repayment plan described under section
21 493C of the Higher Education Act of 1965 (20
22 U.S.C. 1098e) made to a new borrower on or after
23 July 1, 2014.

24 “(5) SIMILARLY SITUATED BORROWER.—With
25 respect to a borrower, the term ‘similarly situated

1 borrower’ means another borrower that has the same
2 income and family size characteristics.”; and

3 (2) in the table of contents for such Act, by in-
4 serting after the item relating to section 811 the fol-
5 lowing:

“811A. Collection restrictions with respect to Federal student loans.”.

6 (b) DEBT WAIVER REQUIREMENTS.—Section
7 3711(g) of the title 31, United States Code, is amended
8 by adding at the end the following:

9 “(11) The Secretary of the Treasury shall, before
10 making a determination at the request of the Secretary
11 of Education under paragraph (2)(B), require the Sec-
12 retary of Education to establish regulations or procedures
13 approved by the Secretary of the Treasury—

14 “(A) to ensure that any entity awarded a con-
15 tract pursuant to section 456 of the Higher Edu-
16 cation Act of 1965 (20 U.S.C. 1087f) to collect pay-
17 ments from student loan borrowers in default com-
18 plies with the requirements of the Fair Debt Collec-
19 tion Practices Act; and

20 “(B) to ensure that any use by the Secretary of
21 Education of the wage garnishment authority pursu-
22 ant to section 488A of the Higher Education Act of
23 1965 (20 U.S.C. 1095a) be limited to—

24 “(i) the collection of debts from borrowers
25 who would not otherwise be entitled to loan

1 cancellation, discharge, or forgiveness under
2 any applicable provision of the Higher Edu-
3 cation Act of 1965; and

4 “(ii) the collection of debts from borrowers
5 for amounts less than or equal to the payment
6 that would be required under an income-driven
7 repayment plan for a similarly situated bor-
8 rower (as such terms are defined, respectively,
9 under section 811A(d) of the Fair Debt Collec-
10 tion Practices Act).”.

11 (c) WAIVER REVIEW AND EVALUATION.—Not later
12 than 180 days after the date of the enactment of this Act,
13 the Secretary of the Treasury shall—

14 (1) review and evaluate any determination made
15 at the request of the Secretary of Education under
16 section 3711(g)(2)(B) of title 31, United States
17 Code; and

18 (2) rescind or reissue such a determination to
19 comply with the requirements established by para-
20 graph (11) of such section, as added by subsection
21 (b) of this Act.

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