

116TH CONGRESS
1ST SESSION

S. 1489

To amend the Higher Education Act of 1965 to authorize borrowers to
separate joint consolidation loans.

IN THE SENATE OF THE UNITED STATES

MAY 15, 2019

Mr. WARNER (for himself, Mr. RUBIO, and Mr. CORNYN) introduced the fol-
lowing bill; which was read twice and referred to the Committee on
Health, Education, Labor, and Pensions

A BILL

To amend the Higher Education Act of 1965 to authorize
borrowers to separate joint consolidation loans.

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 “Joint Consolidation
5 Loan Separation Act”.

6 **SEC. 2. SEPARATING JOINT CONSOLIDATION LOANS.**

7 (a) IN GENERAL.—Section 455(g) of the Higher
8 Education Act of 1965 (20 U.S.C. 1087e(g)) is amend-
9 ed—

1 (1) by striking “A borrower” and inserting the
 2 following:

3 “(1) IN GENERAL.—A borrower”; and

4 (2) by adding at the end the following:

5 “(2) SEPARATING JOINT CONSOLIDATION
 6 LOANS.—

7 “(A) IN GENERAL.—A married couple, or
 8 2 individuals who were previously a married
 9 couple, and who received a joint consolidation
 10 loan as such married couple under subpara-
 11 graph (C) of section 428C(a)(3) (as such sub-
 12 paragraph was in effect on or before June 30,
 13 2006), may apply to the Secretary for each in-
 14 dividual borrower in the married couple (or pre-
 15 viously married couple) to receive a separate
 16 Federal Direct Consolidation Loan under this
 17 part—

18 “(i) that shall be equal to the sum
 19 of—

20 “(I) the unpaid principal and ac-
 21 crued unpaid interest of the percent-
 22 age of the joint consolidation loan
 23 that, as of the day before such joint
 24 consolidation loan was made, was at-
 25 tributable to the loans of the indi-

1 vidual borrower for whom such sepa-
2 rate consolidation loan is being made;
3 and

4 “(II) any other loans described in
5 section 428C(a)(4) that such indi-
6 vidual borrower selects for consolida-
7 tion under this part;

8 “(ii) the proceeds of which shall be
9 paid by the Secretary to the holder or
10 holders—

11 “(I) of the joint consolidation
12 loan for the purpose of discharging
13 the liability on the percentage of such
14 joint consolidation loan described in
15 clause (i)(I); and

16 “(II) of the loans selected for
17 consolidation under clause (i)(II) for
18 the purpose of discharging the liability
19 on such loans;

20 “(iii) that has the same rate of inter-
21 est as the joint consolidation loan;

22 “(iv) for which any payment made
23 under section 455(m)(1)(A) on the joint
24 consolidation loan during a period in which
25 the individual borrower for whom such sep-

arate consolidation loan is being made was employed in a public service job described in section 455(m)(1)(B) shall be treated as if such payment were made on such separate consolidation loan; and

“(v) for which any payment made under an income contingent repayment plan or an income-based repayment plan described in subparagraph (D) or (E) of section 455(d)(1), respectively, on the joint consolidation loan shall be treated as if such payment were made on such separate consolidation loan.

“(B) APPLICATION FOR SEPARATE DIRECT CONSOLIDATION LOAN.—

“(i) JOINT APPLICATION.—Except as provided in clause (ii), to receive separate consolidation loans under subparagraph (A), both individual borrowers in a married couple (or previously married couple) shall jointly apply under subparagraph (A).

“(ii) SEPARATE APPLICATION.—An individual borrower in a married couple (or previously married couple) may apply for a separate consolidation loan under subpara-

graph (A) separately and without regard to whether or when the other individual borrower in the married couple (or previously married couple) applies under subparagraph (A), in a case in which—

“(I) the individual borrower has experienced from the other individual borrower—

“(aa) domestic violence (as defined in section 40002(a) of the Violence Against Women Act of 1994 (42 U.S.C. 13925(a))); or

“(bb) economic abuse (including behaviors that control such borrower’s ability to acquire, use, and maintain access to money, credit, or the joint financial obligations of both borrowers);

“(II) the individual borrower certifies, on a form approved by the Secretary, that such borrower is unable to reasonably reach or access the loan

1 information of the other individual
 2 borrower; or

3 “(III) the Secretary determines
 4 that authorizing each individual bor-
 5 rower to apply separately under sub-
 6 paragraph (A) would be in the best
 7 fiscal interests of the Federal Govern-
 8 ment.

9 “(C) BORROWER ELIGIBILITY.—Notwith-
 10 standing section 428C(a)(3)(A), the Secretary
 11 shall award a consolidation loan under this part
 12 to each borrower who—

13 “(i) applies for such loan under sub-
 14 paragraph (A); and

15 “(ii) meets the requirements of sub-
 16 paragraphs (A) and (B).”.

17 (b) CONFORMING AMENDMENT.—Section
 18 428C(a)(3)(B)(i)(V) of the Higher Education Act of 1965
 19 (20 U.S.C. 1078–3(a)(3)(B)(i)(V)) is amended—

20 (1) in item (bb), by striking “or” after the
 21 semicolon;

22 (2) in item (cc), by striking the period and in-
 23 serting “; or”; and

24 (3) by adding at the end the following:

1 “(dd) for the purpose of sep-
2 arating a joint consolidation loan
3 into 2 separate Federal Direct
4 Consolidation Loans under sec-
5 tion 455(g)(2).”.

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