

116TH CONGRESS
1ST SESSION

H. R. 3102

To amend the Higher Education Act of 1965 to improve loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 2019

Mr. DEFAZIO introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committees on the Judiciary, and 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

A BILL

To amend the Higher Education Act of 1965 to improve loans, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Helping Individuals Get a Higher Education while Re-
6 ducing Education Debt Act” or the “HIGHER ED Act”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REINSTATEMENT OF AUTHORITY TO MAKE FEDERAL
DIRECT STAFFORD LOANS TO GRADUATE AND PROFESSIONAL
STUDENTS; DISCHARGING STUDENT LOANS IN BANKRUPTCY

Sec. 101. Reinstatement of authority to make Federal Direct Stafford Loans
to graduate and professional students.

Sec. 102. Discharge student loans in bankruptcy.

TITLE II—REFINANCING PROGRAMS

Sec. 201. Program authority.

Sec. 202. Refinancing program.

Sec. 203. Income-based repayment.

TITLE III—LOAN FORGIVENESS

Sec. 301. Loan forgiveness for adjunct faculty.

Sec. 302. Amendments to the public service loan forgiveness program.

Sec. 303. Transition to improved public service loan forgiveness program.

TITLE IV—INCOME-DRIVEN REPAYMENT PLANS

Sec. 401. Income-based repayment plan.

Sec. 402. Termination of certain repayment plan options.

Sec. 403. Notification and automatic enrollment procedures.

Sec. 404. Automatic recertification of income.

Sec. 405. Study and procedures on determining family size.

Sec. 406. Disclosure of tax return information to carry out certain higher edu-
cation loan programs.

1 **TITLE I—REINSTATEMENT OF**
2 **AUTHORITY TO MAKE FED-**
3 **ERAL DIRECT STAFFORD**
4 **LOANS TO GRADUATE AND**
5 **PROFESSIONAL STUDENTS;**
6 **DISCHARGING STUDENT**
7 **LOANS IN BANKRUPTCY**

8 **SEC. 101. REINSTATEMENT OF AUTHORITY TO MAKE FED-**
9 **ERAL DIRECT STAFFORD LOANS TO GRAD-**
10 **UATE AND PROFESSIONAL STUDENTS.**

11 (a) AMENDMENTS.—Section 455(a)(3) of the Higher
12 Education Act of 1965 (20 U.S.C. 1087e(a)(3)) is amend-
13 ed—

14 (1) in the paragraph heading, by inserting
15 “TEMPORARY” before “TERMINATION”; and

16 (2) in subparagraph (A), in the matter pre-
17 ceding clause (i), by inserting “, and ending on or
18 before June 30, 2019” after “2012”.

19 (b) INAPPLICABILITY OF RULEMAKING REQUIRE-
20 MENTS.—Sections 482(c) and 492 of the Higher Edu-
21 cation Act of 1965 (20 U.S.C. 1089(c); 1098a) shall not
22 apply to the regulations under this section.

23 **SEC. 102. DISCHARGE STUDENT LOANS IN BANKRUPTCY.**

24 (a) EXCEPTION TO DISCHARGE.—Section 523(a) of
25 title 11, United States Code, is amended—

1 (1) by striking paragraph (8); and

2 (2) by redesignating paragraphs (9) through
3 (14B) as paragraphs (8) through (14A), respec-
4 tively.

5 (b) CONFORMING AMENDMENTS.—Title 11, United
6 States Code, is amended—

7 (1) in section 704(c)(1)(C)(iv)(I) by striking
8 “(14A)” and inserting “(14)”;

9 (2) in section 1106(c)(1)(C)(iv)(I) by striking
10 “(14A)” and inserting “(14)”;

11 (3) in section 1202(c)(1)(C)(iv)(I) by striking
12 “(14A)” and inserting “(14)”;

13 (4) in section 1328(a)(2) by striking “(8), or
14 (9)” and inserting “or (8)”.

15 (c) EFFECTIVE DATE; APPLICATION OF AMEND-
16 MENTS.—

17 (1) EFFECTIVE DATE.—Except as provided in
18 subsection (b), this section and the amendments
19 made by this section shall take effect on the date of
20 the enactment of this Act.

21 (2) APPLICATION OF AMENDMENTS.—The
22 amendments made by this section shall apply only
23 with respect to cases commenced under title 11 of
24 the United States Code on or after the date of the
25 enactment of this Act.

1 **TITLE II—REFINANCING**
2 **PROGRAMS**

3 **SEC. 201. PROGRAM AUTHORITY.**

4 Section 451(a) of the Higher Education Act of 1965
5 (20 U.S.C. 1087a(a)) is amended—

6 (1) by striking “and (2)” and inserting “(2)”;

7 and

8 (2) by inserting “; and (3) to make loans under
9 section 460A and section 460B” after “section
10 459A”.

11 **SEC. 202. REFINANCING PROGRAM.**

12 Part D of title IV of the Higher Education Act of
13 1965 (20 U.S.C. 1087a et seq.) is amended by adding at
14 the end the following:

15 **“SEC. 460A. REFINANCING FFEL AND FEDERAL DIRECT**
16 **LOANS.**

17 “(a) IN GENERAL.—Beginning not later than 180
18 days after the date of enactment of the Helping Individ-
19 uals Get a Higher Education while Reducing Education
20 Debt Act, the Secretary shall establish a program under
21 which the Secretary, upon the receipt of an application
22 from a qualified borrower, makes a loan under this part,
23 in accordance with the provisions of this section, in order
24 to permit the borrower to obtain the interest rate provided
25 under subsection (c).

1 “(b) REFINANCING DIRECT LOANS.—

2 “(1) FEDERAL DIRECT LOANS.—Upon applica-
3 tion of a qualified borrower, the Secretary shall
4 repay a Federal Direct Stafford Loan, a Federal Di-
5 rect Unsubsidized Stafford Loan, a Federal Direct
6 PLUS Loan, or a Federal Direct Consolidation
7 Loan of the qualified borrower, for which the first
8 disbursement was made, or the application for the
9 consolidation loan was received, before July 1, 2019,
10 with the proceeds of a refinanced Federal Direct
11 Stafford Loan, a Federal Direct Unsubsidized Staf-
12 ford Loan, a Federal Direct PLUS Loan, or a Fed-
13 eral Direct Consolidation Loan, respectively, issued
14 to the borrower in an amount equal to the sum of
15 the unpaid principal, accrued unpaid interest, and
16 late charges of the original loan.

17 “(2) REFINANCING FFEL PROGRAM LOANS AS
18 REFINANCED FEDERAL DIRECT LOANS.—Upon ap-
19 plication of a qualified borrower for any loan that
20 was made, insured, or guaranteed under part B and
21 for which the first disbursement was made, or the
22 application for the consolidation loan was received,
23 before July 1, 2010, the Secretary shall make a loan
24 under this part, in an amount equal to the sum of
25 the unpaid principal, accrued unpaid interest, and

1 late charges of the original loan to the borrower in
2 accordance with the following:

3 “(A) The Secretary shall pay the proceeds
4 of such loan to the eligible lender of the loan
5 made, insured, or guaranteed under part B, in
6 order to discharge the borrower from any re-
7 maining obligation to the lender with respect to
8 the original loan.

9 “(B) A loan made under this section that
10 was originally—

11 “(i) a loan originally made, insured,
12 or guaranteed under section 428 shall be a
13 Federal Direct Stafford Loan;

14 “(ii) a loan originally made, insured,
15 or guaranteed under section 428B shall be
16 a Federal Direct PLUS Loan;

17 “(iii) a loan originally made, insured,
18 or guaranteed under section 428H shall be
19 a Federal Direct Unsubsidized Stafford
20 Loan; and

21 “(iv) a loan originally made, insured,
22 or guaranteed under section 428C shall be
23 a Federal Direct Consolidation Loan.

1 “(C) The interest rate for each loan made
2 by the Secretary under this paragraph shall be
3 the rate provided under subsection (c).

4 “(c) INTEREST RATES.—

5 “(1) IN GENERAL.—The interest rate for the
6 refinanced Federal Direct Stafford Loans, Federal
7 Direct Unsubsidized Stafford Loans, Federal Direct
8 PLUS Loans, and Federal Direct Consolidation
9 Loans, shall be a rate equal to—

10 “(A) in any case where the original loan
11 was a loan under section 428 or 428H, a Fed-
12 eral Direct Stafford loan, or a Federal Direct
13 Unsubsidized Stafford Loan, that was issued to
14 an undergraduate student, a rate equal to the
15 rate for Federal Direct Stafford Loans and
16 Federal Direct Unsubsidized Stafford Loans
17 issued to undergraduate students for the 12-
18 month period beginning on July 1, 2016, and
19 ending on June 30, 2017;

20 “(B) in any case where the original loan
21 was a loan under section 428 or 428H, a Fed-
22 eral Direct Stafford Loan, or a Federal Direct
23 Unsubsidized Stafford Loan, that was issued to
24 a graduate or professional student, a rate equal
25 to the rate for Federal Direct Unsubsidized

1 Stafford Loans issued to graduate or profes-
2 sional students for the 12-month period begin-
3 ning on July 1, 2016, and ending on June 30,
4 2017;

5 “(C) in any case where the original loan
6 was a loan under section 428B or a Federal Di-
7 rect PLUS Loan, a rate equal to the rate for
8 Federal Direct PLUS Loans for the 12-month
9 period beginning on July 1, 2016, and ending
10 on June 30, 2017; and

11 “(D) in any case where the original loan
12 was a loan under section 428C or a Federal Di-
13 rect Consolidation Loan, a rate calculated in ac-
14 cordance with paragraph (2).

15 “(2) INTEREST RATES FOR CONSOLIDATION
16 LOANS.—

17 “(A) METHOD OF CALCULATION.—In
18 order to determine the interest rate for any re-
19 financed Federal Direct Consolidation Loan
20 under paragraph (1)(D), the Secretary shall—

21 “(i) determine each of the component
22 loans that were originally consolidated in
23 the loan under section 428C or the Federal
24 Direct Consolidation Loan, and calculate
25 the proportion of the unpaid principal bal-

1 ance of the loan under section 428C or the
2 Federal Direct Consolidation Loan that
3 each component loan represents;

4 “(ii) use the proportions determined
5 in accordance with clause (i) and the inter-
6 est rate applicable for each component
7 loan, as determined under subparagraph
8 (B), to calculate the weighted average of
9 the interest rates on the loans consolidated
10 into the loan under section 428C or the
11 Federal Direct Consolidation Loan; and

12 “(iii) apply the weighted average cal-
13 culated under clause (ii) as the interest
14 rate for the refinanced Federal Direct Con-
15 solidation Loan.

16 “(B) INTEREST RATES FOR COMPONENT
17 LOANS.—The interest rates for the component
18 loans of a loan made under section 428C or a
19 Federal Direct Consolidation Loan shall be the
20 following:

21 “(i) The interest rate for any loan
22 under section 428 or 428H, Federal Direct
23 Stafford Loan, or Federal Direct Unsub-
24 sidized Stafford Loan issued to an under-

1 graduate student shall be a rate equal to
2 the lesser of—

3 “(I) the rate for Federal Direct
4 Stafford Loans and Federal Direct
5 Unsubsidized Stafford Loans issued
6 to undergraduate students for the 12-
7 month period beginning on July 1,
8 2016, and ending on June 30, 2017;
9 or

10 “(II) the original interest rate of
11 the component loan.

12 “(ii) The interest rate for any loan
13 under section 428 or 428H, Federal Direct
14 Stafford Loan, or Federal Direct Unsub-
15 sidized Stafford Loan issued to a graduate
16 or professional student shall be a rate
17 equal to the lesser of—

18 “(I) the rate for Federal Direct
19 Unsubsidized Stafford Loans issued
20 to graduate or professional students
21 for the 12-month period beginning on
22 July 1, 2016, and ending on June 30,
23 2017; or

24 “(II) the original interest rate of
25 the component loan.

1 “(iii) The interest rate for any loan
2 under section 428B or Federal Direct
3 PLUS Loan shall be a rate equal to the
4 lesser of—

5 “(I) the rate for Federal Direct
6 PLUS Loans for the 12-month period
7 beginning on July 1, 2016, and end-
8 ing on June 30, 2017; or

9 “(II) the original interest rate of
10 the component loan.

11 “(iv) The interest rate for any compo-
12 nent loan that is a loan under section
13 428C or a Federal Direct Consolidation
14 Loan shall be the weighted average of the
15 interest rates that would apply under this
16 subparagraph for each loan comprising the
17 component consolidation loan.

18 “(v) The interest rate for any eligible
19 loan that is a component of a loan made
20 under section 428C or a Federal Direct
21 Consolidation Loan and is not described in
22 clauses (i) through (iv) shall be the inter-
23 est rate on the original component loan.

24 “(3) FIXED RATE.—The applicable rate of in-
25 terest determined under paragraph (1) for a refi-

1 nanced loan under this section shall be fixed for the
2 period of the loan.

3 “(d) TERMS AND CONDITIONS OF LOANS.—

4 “(1) IN GENERAL.—A loan that is refinanced
5 under this section shall have the same terms and
6 conditions as the original loan, except as otherwise
7 provided in this section.

8 “(2) NO AUTOMATIC EXTENSION OF REPAY-
9 MENT PERIOD.—Refinancing a loan under this sec-
10 tion shall not result in the extension of the duration
11 of the repayment period of the loan, and the bor-
12 rower shall retain the same repayment term that
13 was in effect on the original loan. Nothing in this
14 paragraph shall be construed to prevent a borrower
15 from electing a different repayment plan at any time
16 in accordance with section 455(d)(3).

17 “(e) DEFINITION OF QUALIFIED BORROWER.—

18 “(1) IN GENERAL.—For purposes of this sec-
19 tion, the term ‘qualified borrower’ means a bor-
20 rower—

21 “(A) of a loan under this part or part B
22 for which the first disbursement was made, or
23 the application for a consolidation loan was re-
24 ceived, before July 1, 2019; and

1 “(B) who meets the eligibility requirements
2 based on income or debt-to-income ratio estab-
3 lished by the Secretary.

4 “(2) INCOME REQUIREMENTS.—Not later than
5 180 days after the date of enactment of the Helping
6 Individuals Get a Higher Education while Reducing
7 Education Debt Act, the Secretary shall establish
8 eligibility requirements based on income or debt-to-
9 income ratio that take into consideration providing
10 access to refinancing under this section for bor-
11 rowers with the greatest financial need.

12 “(f) NOTIFICATION TO BORROWERS.—The Secretary,
13 in coordination with the Director of the Bureau of Con-
14 sumer Financial Protection, shall undertake a campaign
15 to alert borrowers of loans that are eligible for refinancing
16 under this section that the borrowers are eligible to apply
17 for such refinancing. The campaign shall include the fol-
18 lowing activities:

19 “(1) Developing consumer information mate-
20 rials about the availability of Federal student loan
21 refinancing.

22 “(2) Requiring servicers of loans under this
23 part or part B to provide such consumer information
24 to borrowers in a manner determined appropriate by

1 the Secretary, in consultation with the Director of
2 the Bureau of Consumer Financial Protection.

3 **“SEC. 460B. FEDERAL DIRECT REFINANCED PRIVATE LOAN**
4 **PROGRAM.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) ELIGIBLE PRIVATE EDUCATION LOAN.—

7 The term ‘eligible private education loan’ means a
8 private education loan, as defined in section 140(a)
9 of the Truth in Lending Act (15 U.S.C. 1650(a)),
10 that—

11 “(A) was disbursed to the borrower before
12 July 1, 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 “(2) FEDERAL DIRECT REFINANCED PRIVATE
19 LOAN.—The term ‘Federal Direct Refinanced Pri-
20 vate Loan’ means a loan issued under subsection
21 (b)(1).

22 “(3) PRIVATE EDUCATIONAL LENDER.—The
23 term ‘private educational lender’ has the meaning
24 given the term in section 140(a) of the Truth in
25 Lending Act (15 U.S.C. 1650(a)).

1 “(4) QUALIFIED BORROWER.—The term ‘quali-
2 fied borrower’ means an individual who—

3 “(A) has an eligible private education loan;

4 “(B) has been current on payments on the
5 eligible private education loan for the 6 months
6 prior to the date of the qualified borrower’s ap-
7 plication for refinancing under this section, and
8 is in good standing on the loan at the time of
9 such application;

10 “(C) is not in default on the eligible pri-
11 vate education loan or on any loan made, in-
12 sured, or guaranteed under this part or part B
13 or E; and

14 “(D) meets the eligibility requirements de-
15 scribed in subsection (b)(2).

16 “(b) PROGRAM AUTHORIZED.—

17 “(1) IN GENERAL.—The Secretary, in consulta-
18 tion with the Secretary of the Treasury, shall carry
19 out a program under which the Secretary, upon ap-
20 plication by a qualified borrower who has an eligible
21 private education loan, shall issue such borrower a
22 loan under this part in accordance with the fol-
23 lowing:

24 “(A) The loan issued under this program
25 shall be in an amount equal to the sum of the

1 unpaid principal, accrued unpaid interest, and
2 late charges of the private education loan.

3 “(B) The Secretary shall pay the proceeds
4 of the loan issued under this program to the
5 private educational lender of the private edu-
6 cation loan, in order to discharge the qualified
7 borrower from any remaining obligation to the
8 lender with respect to the original loan.

9 “(C) The Secretary shall require that the
10 qualified borrower undergo loan counseling that
11 provides all of the information and counseling
12 required under clauses (i) through (viii) of sec-
13 tion 485(b)(1)(A) before the loan is refinanced
14 in accordance with this section, and before the
15 proceeds of such loan are paid to the private
16 educational lender.

17 “(D) The Secretary shall issue the loan as
18 a Federal Direct Refinanced Private Loan,
19 which shall have the same terms, conditions,
20 and benefits as a Federal Direct Unsubsidized
21 Stafford Loan, except as otherwise provided in
22 this section.

23 “(2) BORROWER ELIGIBILITY.—Not later than
24 180 days after the date of enactment of the Helping
25 Individuals Get a Higher Education while Reducing

1 Education Debt Act, the Secretary, in consultation
2 with the Secretary of the Treasury and the Director
3 of the Bureau of Consumer Financial Protection,
4 shall establish eligibility requirements—

5 “(A) based on income or debt-to-income
6 ratio that take into consideration providing ac-
7 cess to refinancing under this section for bor-
8 rowers with the greatest financial need;

9 “(B) to ensure eligibility only for bor-
10 rowers in good standing;

11 “(C) to minimize inequities between Fed-
12 eral Direct Refinanced Private Loans and other
13 Federal student loans;

14 “(D) to preclude windfall profits for pri-
15 vate educational lenders; and

16 “(E) to ensure full access to the program
17 authorized in this subsection for borrowers with
18 private loans who otherwise meet the criteria
19 established in accordance with subparagraphs
20 (A) and (B).

21 “(c) INTEREST RATE.—

22 “(1) IN GENERAL.—The interest rate for a
23 Federal Direct Refinanced Private Loan is—

24 “(A) in the case of a Federal Direct Refi-
25 nanced Private Loan for a private education

1 loan originally issued for undergraduate post-
2 secondary educational expenses, a rate equal to
3 the rate for Federal Direct Stafford Loans and
4 Federal Direct Unsubsidized Stafford Loans
5 issued to undergraduate students for the 12-
6 month period beginning on July 1, 2016, and
7 ending on June 30, 2017; and

8 “(B) in the case of a Federal Direct Refi-
9 nanced Private Loan for a private education
10 loan originally issued for graduate or profes-
11 sional degree postsecondary educational ex-
12 penses, a rate equal to the rate for Federal Di-
13 rect Unsubsidized Stafford Loans issued to
14 graduate or professional students for the 12-
15 month period beginning on July 1, 2016, and
16 ending on June 30, 2017.

17 “(2) COMBINED UNDERGRADUATE AND GRAD-
18 UATE STUDY LOANS.—If a Federal Direct Refi-
19 nanced Private Loan is for a private education loan
20 originally issued for both undergraduate and grad-
21 uate or professional postsecondary educational ex-
22 penses, the interest rate shall be a rate equal to the
23 rate for Federal Direct PLUS Loans for the 12-
24 month period beginning on July 1, 2016, and ending
25 on June 30, 2017.

1 “(3) FIXED RATE.—The applicable rate of in-
2 terest determined under this subsection for a Fed-
3 eral Direct Refinanced Private Loan shall be fixed
4 for the period of the loan.

5 “(d) NO INCLUSION IN AGGREGATE LIMITS.—The
6 amount of a Federal Direct Refinanced Private Loan, or
7 a Federal Direct Consolidated Loan to the extent such
8 loan was used to repay a Federal Direct Refinanced Pri-
9 vate Loan, shall not be included in calculating a bor-
10 rower’s annual or aggregate loan limits under section 428
11 or 428H.

12 “(e) NO ELIGIBILITY FOR SERVICE-RELATED RE-
13 PAYMENT.—Notwithstanding sections 428K(a)(2)(A),
14 428L(b)(2), 455(m)(3)(A), and 460(b), a Federal Direct
15 Refinanced Private Loan, or any Federal Direct Consoli-
16 dation Loan to the extent such loan was used to repay
17 a Federal Direct Refinanced Private Loan, shall not be
18 eligible for any loan repayment or loan forgiveness pro-
19 gram under section 428K, 428L, or 460 or for the repay-
20 ment plan for public service employees under section
21 455(m).

22 “(f) PRIVATE EDUCATIONAL LENDER REPORTING
23 REQUIREMENT.—

24 “(1) REPORTING REQUIRED.—Not later than
25 180 days after the date of enactment of the Helping

1 Individuals Get a Higher Education while Reducing
2 Education Debt Act, the Secretary, in consultation
3 with the Secretary of the Treasury and the Director
4 of the Bureau of Consumer Financial Protection,
5 shall establish a requirement that private edu-
6 cational lenders report the data described in para-
7 graph (2) to the Secretary, to Congress, to the Sec-
8 retary of the Treasury, and to the Director of the
9 Bureau of Consumer Financial Protection, in order
10 to allow for an assessment of the private education
11 loan market.

12 “(2) CONTENTS OF REPORTING.—The data
13 that private educational lenders shall report in ac-
14 cordance with paragraph (1) shall include each of
15 the following about private education loans (as de-
16 fined in section 140(a) of the Truth in Lending Act
17 (15 U.S.C. 1650(a))):

18 “(A) The total amount of private education
19 loan debt the lender holds.

20 “(B) The total number of private edu-
21 cation loan borrowers the lender serves.

22 “(C) The average interest rate on the out-
23 standing private education loan debt held by the
24 lender.

1 “(D) The proportion of private education
2 loan borrowers who are in default on a loan
3 held by the lender.

4 “(E) The proportion of the outstanding
5 private education loan volume held by the lend-
6 er that is in default.

7 “(F) The proportions of outstanding pri-
8 vate education loan borrowers who are 30, 60,
9 and 90 days delinquent.

10 “(G) The proportions of outstanding pri-
11 vate education loan volume that is 30, 60, and
12 90 days delinquent.

13 “(g) NOTIFICATION TO BORROWERS.—The Sec-
14 retary, in coordination with the Secretary of the Treasury
15 and the Director of the Bureau of Consumer Financial
16 Protection, shall undertake a campaign to alert borrowers
17 about the availability of private student loan refinancing
18 under this section.”.

19 **SEC. 203. INCOME-BASED REPAYMENT.**

20 Section 493C of the Higher Education Act of 1965
21 (20 U.S.C. 1098e) is amended by adding at the end the
22 following:

23 “(f) SPECIAL RULE FOR REFINANCED LOANS.—

24 “(1) REFINANCED FEDERAL DIRECT AND FFEL
25 LOANS.—In calculating the period of time during

1 which a borrower of a loan that is refinanced under
 2 section 460A has made monthly payments for pur-
 3 poses of subsection (b)(7), the Secretary shall deem
 4 the period to include all monthly payments made for
 5 the original loan, and all monthly payments made
 6 for the refinanced loan, that otherwise meet the re-
 7 quirements of this section.

8 “(2) FEDERAL DIRECT REFINANCED PRIVATE
 9 LOANS.—In calculating the period of time during
 10 which a borrower of a Federal Direct Refinanced
 11 Private Loan under section 460B has made monthly
 12 payments for purposes of subsection (b)(7), the Sec-
 13 retary shall include only payments—

14 “(A) that are made after the date of the
 15 issuance of the Federal Direct Refinanced Pri-
 16 vate Loan; and

17 “(B) that otherwise meet the requirements
 18 of this section.”.

19 **TITLE III—LOAN FORGIVENESS**

20 **SEC. 301. LOAN FORGIVENESS FOR ADJUNCT FACULTY.**

21 Section 455(m)(3)(B)(ii) of the Higher Education
 22 Act of 1965 (20 U.S.C. 1087e(m)(3)(B)(ii)) is amended—

23 (1) by striking “teaching as” and inserting the
 24 following: “teaching—

25 “(I) as”;

1 (2) by striking “, foreign language faculty, and
2 part-time faculty at community colleges), as deter-
3 mined by the Secretary.” and inserting “and foreign
4 language faculty), as determined by the Secretary;
5 or”; and

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

7 “(II) as a part-time faculty mem-
8 ber or instructor who—

9 “(aa) teaches not less than
10 1 course at an institution of
11 higher education (as defined in
12 section 101(a)), a postsecondary
13 vocational institution (as defined
14 in section 102(c)), or a Tribal
15 College or University (as defined
16 in section 316(b)); and

17 “(bb) is not employed on a
18 full-time basis by any other em-
19 ployer.”.

20 **SEC. 302. AMENDMENTS TO THE PUBLIC SERVICE LOAN**
21 **FORGIVENESS PROGRAM.**

22 (a) PUBLIC SERVICE LOAN FORGIVENESS.—

23 (1) IN GENERAL.—Section 455(m) of the High-
24 er Education Act of 1965 (20 U.S.C. 1087e(m)) is
25 amended to read as follows:

1 “(m) LOAN FORGIVENESS FOR FEDERAL STUDENT
2 LOAN BORROWERS EMPLOYED IN PUBLIC SERVICE.—

3 “(1) DEFINITIONS.—In this subsection:

4 “(A) CERTIFICATION OF EMPLOYMENT.—

5 The term ‘certification of employment’ means a
6 certification of employment under paragraph
7 (4).

8 “(B) FULL-TIME.—The term ‘full-time’,
9 when used with respect to employment, means
10 employment—

11 “(i) with a qualifying employer for not
12 less than 30 hours per week; or

13 “(ii) with 2 or more qualifying em-
14 ployers for a total of not less than 30
15 hours per week.

16 “(C) QUALIFYING EMPLOYER.—The term
17 ‘qualifying employer’ means—

18 “(i) a Federal, State, local, or Tribal
19 government organization or instrumen-
20 tality, including any organization estab-
21 lished in law as a body politic;

22 “(ii) an organization that is described
23 in section 501(c)(3) of the Internal Rev-
24 enue Code of 1986, and exempt from tax-

1 ation under section 501(a) of such Code;
2 or

3 “(iii) an organization—

4 “(I) not described in clause (ii)
5 that is a not-for-profit organization
6 under other Federal or State law;

7 “(II) that is not a labor organi-
8 zation or partisan political organiza-
9 tion; and

10 “(III) whose purpose is to di-
11 rectly provide any of the following
12 services, as defined in regulations pro-
13 mulgated by the Secretary:

14 “(aa) Emergency manage-
15 ment and disaster response.

16 “(bb) Military service.

17 “(cc) Public safety services,
18 including fire prevention and
19 suppression, rescue services, haz-
20 ardous materials response, ambu-
21 lance services, and emergency
22 medical services.

23 “(dd) Law enforcement.

24 “(ee) Public health, includ-
25 ing service through organizations

1 that employ nurses, nurse practi-
2 tioners, nurses in a clinical set-
3 ting, or professionals engaged in
4 health care practitioner occupa-
5 tions and health care support oc-
6 cupations, as such terms are de-
7 fined by the Bureau of Labor
8 Statistics.

9 “(ff) Public education, in-
10 cluding the provision of edu-
11 cational enrichment or support
12 directly to students or their fami-
13 lies, employment with a Tribal
14 College or University (as defined
15 in section 316(b)), and employ-
16 ment as an adjunct faculty mem-
17 ber or instructor for an edu-
18 cational institution.

19 “(gg) Public interest law
20 services, including prosecution or
21 public defense or legal advocacy
22 on behalf of low-income commu-
23 nities at a not-for-profit organi-
24 zation.

1 “(hh) Early childhood edu-
2 cation, including licensed or regu-
3 lated childcare, Head Start pro-
4 grams, and State funded pre-
5 kindergarten.

6 “(ii) Public service for indi-
7 viduals with disabilities.

8 “(jj) Public service for the
9 elderly.

10 “(kk) Public and school-
11 based library sciences.

12 “(ll) School-based services,
13 including the provision of non-
14 educational enrichment or sup-
15 port directly to students or their
16 families.

17 “(mm) Social work, includ-
18 ing child or family services.

19 “(D) QUALIFYING MONTHLY PAYMENT OB-
20 LIGATION.—The term ‘qualifying monthly pay-
21 ment obligation’ means a monthly payment obli-
22 gation due on a loan under the repayment plan
23 of the borrower—

1 “(i) that was satisfied by the borrower
2 through a payment made after October 1,
3 2007; and

4 “(ii) attributable to a period during
5 which the borrower was employed full-time
6 by a qualifying employer.

7 “(E) LOAN MADE UNDER THIS PART.—
8 The term ‘loan made under this part’ includes
9 a Federal Direct Stafford Loan, Federal Direct
10 PLUS Loan, Federal Direct Unsubsidized Staf-
11 ford Loan, or Federal Direct Consolidation
12 Loan refinanced under section 460A.

13 “(2) IN GENERAL.—Beginning on July 1, 2019,
14 the Secretary shall forgive the applicable percentage
15 described in paragraph (3) of the balance of prin-
16 cipal and interest due on a loan made under this
17 part for a borrower who has satisfied 60 or 120
18 qualifying monthly payment obligations on a loan
19 made under this part and submitted any certifi-
20 cation of employment required under this subsection.

21 “(3) LOAN FORGIVENESS AFTER 60 PAYMENT
22 OBLIGATIONS AND 120 PAYMENT OBLIGATIONS.—
23 The applicable percentages under this paragraph
24 shall be—

1 “(A) in the case of a borrower who satis-
2 fies 60 qualifying monthly payment obligations
3 on a loan made under this part that is not in
4 default (as defined in section 435), 50 percent
5 of the total amount of the balance of principal
6 and interest due on such loan as of the date of
7 the loan forgiveness; and

8 “(B) in the case of a borrower who satis-
9 fies 120 qualifying monthly payment obligations
10 on a loan made under this part that is not in
11 default, 100 percent of the balance of principal
12 and interest due on such loan as of the date of
13 the loan forgiveness.

14 “(4) CERTIFICATION OF EMPLOYMENT RE-
15 QUIREMENTS.—

16 “(A) IN GENERAL.—In order to receive
17 loan forgiveness under this subsection, a bor-
18 rower of a loan made under this part shall sub-
19 mit to the Secretary a certification of employ-
20 ment.

21 “(B) CONTENT OF CERTIFICATION.—The
22 Secretary shall—

23 “(i) develop, and make easily acces-
24 sible, the certification of employment; and

1 “(ii) ensure that the method of certifi-
2 cation—

3 “(I) allows for the employer to
4 indicate and certify the dates of the
5 borrower’s employment; and

6 “(II) provides electronic signa-
7 ture options for the employer and for
8 the borrower.

9 “(C) BORROWER ACCESS.—The Secretary
10 shall ensure that a borrower may submit a cer-
11 tification of employment to the Secretary elec-
12 tronically through any information system
13 through which the Secretary permits borrowers
14 to take self-service actions with respect to their
15 loans.

16 “(D) EXCEPTION FOR SELF-CERTIFI-
17 CATION.—The Secretary shall provide a self-
18 certification option for the certification of em-
19 ployment for borrowers who have extenuating
20 circumstances preventing the borrowers from
21 obtaining the qualifying employer signature and
22 certification required under subparagraph
23 (B)(ii), as determined by the Secretary pursu-
24 ant to rulemaking and including situations

1 where an employer is no longer in existence or
2 refuses to cooperate.

3 “(E) PERIODIC REVIEW OF CERTIFICATION
4 OF EMPLOYMENT.—For each borrower of a loan
5 made under this part who has submitted a cer-
6 tification of employment, the Secretary shall—

7 “(i) by not later than 30 days after
8 receipt of the certification of employ-
9 ment—

10 “(I) review the certification of
11 employment and determine the num-
12 ber of qualifying monthly payment ob-
13 ligations satisfied on the loan during
14 the period of employment covered by
15 the certification of employment;

16 “(II) inform the borrower of the
17 number of qualifying monthly pay-
18 ment obligations satisfied; and

19 “(III) inform the borrower of the
20 number of remaining qualifying
21 monthly payment obligations to be
22 satisfied in order for the borrower to
23 receive partial loan forgiveness under
24 paragraph (3)(A), and such number

1 needed to receive full loan forgiveness
2 under paragraph (3)(B); and

3 “(ii) periodically, but not less than
4 twice annually, notify the borrower, using
5 the most recent calculation of qualifying
6 monthly payment obligations, of—

7 “(I) the number of qualifying
8 monthly payment obligations satisfied,
9 as of the date of the notice;

10 “(II) the number of remaining
11 qualifying monthly payment obliga-
12 tions to be satisfied in order for the
13 borrower to receive partial loan for-
14 giveness under paragraph (3)(A), and
15 such number needed to receive full
16 loan forgiveness under paragraph
17 (3)(B);

18 “(III) any steps the borrower can
19 take to convert non-qualifying month-
20 ly payment obligations into qualifying
21 monthly payment obligations, includ-
22 ing the options to provide payments to
23 satisfy monthly payment obligations
24 for past public service under para-
25 graph (5)(C); and

1 “(IV) the dispute resolution pro-
2 cess for the Secretary’s determination
3 of qualifying monthly payment obliga-
4 tions, as described in paragraph (7).

5 “(5) QUALIFYING MONTHLY PAYMENT OBLIGA-
6 TIONS.—

7 “(A) IN GENERAL.—For purposes of this
8 subsection, the number of qualifying monthly
9 payment obligations satisfied on a loan is the
10 number of monthly payments, during the period
11 of employment and based on the repayment
12 plan selected by the borrower for such period,
13 that would be satisfied based on applying the
14 total amount of payments made by the bor-
15 rower on the loan at any time during such pe-
16 riod.

17 “(B) ADJUSTMENT OF PAYMENT OBLIGA-
18 TION STATUS.—

19 “(i) HOLD HARMLESS AGAINST RET-
20 ROACTIVE DETERMINATIONS.—If the Sec-
21 retary has classified a payment obligation
22 satisfied by a borrower of a loan made
23 under this part as a qualifying monthly
24 payment obligation and later determines
25 that the payment obligation does not qual-

1 ify, the Secretary shall deem the payment
2 obligation to be a qualifying monthly pay-
3 ment obligation to be counted for purposes
4 of paragraph (2).

5 “(ii) EXPLANATION OF NON-QUALI-
6 FYING PAYMENT OBLIGATION DETERMINA-
7 TIONS.—If the Secretary determines that
8 payments made by a borrower of a loan
9 made under this part for a period of full-
10 time employment with a qualifying em-
11 ployer cannot be applied toward the total
12 number of qualifying monthly payment ob-
13 ligations for purposes of paragraph (2),
14 the Secretary shall provide a borrower with
15 an explanation and allow the borrower to
16 correct the reason for such determination,
17 to the extent possible. Such borrower reme-
18 diation shall include, at a minimum, pro-
19 viding a borrower with the opportunity to
20 reimburse the Secretary for any under-
21 payment.

22 “(C) SATISFYING PREVIOUSLY NON-QUALI-
23 FYING MONTHLY PAYMENT OBLIGATIONS.—

24 “(i) IN GENERAL.—A borrower of a
25 loan made under this part who has a pe-

1 riod during which the borrower was em-
2 ployed full-time with a qualifying employer
3 but did not satisfy one or more qualifying
4 monthly payment obligations during such
5 period, such as a borrower who was in
6 deferment or forbearance, may satisfy one
7 or more monthly payment obligations of
8 that period at a later date by paying the
9 additional amount needed to satisfy the
10 qualifying monthly payment obligation, in
11 accordance with a process established by
12 the Secretary.

13 “(ii) DETERMINATION PROCESS.—The
14 amount of past monthly payment obliga-
15 tions satisfied by a payment under this
16 subparagraph for a period of employment
17 shall be determined using the amount of
18 the borrower’s monthly payment, based on
19 any repayment plan, as selected by the
20 borrower, that could have been selected by
21 the borrower during such period. The Sec-
22 retary may require a borrower wishing to
23 satisfy past monthly payment obligations
24 under this subparagraph to submit any ad-

1 ditional information necessary to calculate
2 the amount of the past payments.

3 “(iii) LIMIT.—A borrower may not
4 satisfy more than 36 past monthly pay-
5 ment obligations under this subparagraph.

6 “(D) OVERPAYMENT.—In a case in which
7 the dispute resolution process under paragraph
8 (8) delays the date on which a borrower would
9 have received full loan forgiveness under para-
10 graph (3)(B), the Secretary shall refund the
11 borrower the amount of any qualifying monthly
12 payment obligation the borrower makes in ex-
13 cess of 120 qualifying payment obligations dur-
14 ing such process.

15 “(6) SPECIAL RULES RELATING TO FEDERAL
16 DIRECT CONSOLIDATION LOANS.—

17 “(A) REVIEW OF ANY NEW CONSOLIDA-
18 TION LOAN APPLICATION.—

19 “(i) PUBLIC SERVICE LOAN FORGIVE-
20 NESS OPTION ON CONSOLIDATION APPLICA-
21 TION.—Beginning on July 1, 2019, the
22 Secretary shall include, in any application
23 for a Federal Direct Consolidation Loan,
24 the option for the borrower to indicate that
25 the borrower is consolidating for the pur-

1 pose of using the public service loan for-
2 giveness program under this subsection.

3 “(ii) REVIEW.—Beginning on July 1,
4 2019, the Secretary shall, after issuing any
5 Federal Direct Consolidation Loan to a
6 borrower who indicated an interest in the
7 public service loan forgiveness program on
8 the loan application—

9 “(I) request that the borrower
10 submit a certification of employment;
11 and

12 “(II) after receiving a complete
13 certification of employment, review
14 the borrower’s past payments on all
15 component loans comprising the Fed-
16 eral Direct Consolidation Loan and
17 inform the borrower—

18 “(aa) of the number of
19 monthly payment obligations sat-
20 isfied by the borrower before the
21 date of consolidation that are
22 qualifying monthly payment obli-
23 gations, in accordance with sub-
24 paragraph (B); or

1 “(bb) if no payment obliga-
2 tions are satisfied, that the bor-
3 rower will not receive any credit
4 towards public service loan for-
5 giveness under this subsection for
6 the Federal Direct Consolidation
7 Loan.

8 “(B) QUALIFYING PAYMENT OBLIGATIONS
9 ON ALL COMPONENT LOANS AND LOAN TYPES
10 THROUGH CONSOLIDATION.—In the case of a
11 borrower of one or more loans eligible for con-
12 solidation, including loans made under part B,
13 who applies for, and receives, a Federal Direct
14 Consolidation Loan, the Secretary shall request
15 the borrower submit a certification of employ-
16 ment for any qualifying employment and, after
17 receiving the certification of employment,
18 shall—

19 “(i) review the borrower’s payment
20 history on each of the component loans
21 comprising the Federal Direct Consolida-
22 tion Loan, including each loan made under
23 part B; and

24 “(ii) for each component loan—

1 “(I) calculate the weighted factor
2 of the component loan, which shall be
3 the factor that represents the ratio
4 between the amount of the component
5 loan and the amount of the Federal
6 Direct Consolidation Loan, as deter-
7 mined by the Secretary;

8 “(II) determine the number of
9 equivalent monthly payment obliga-
10 tions toward the Federal Direct Con-
11 solidation Loan satisfied on the com-
12 ponent loan by multiplying the weight-
13 ed factor for the component loan by
14 the number of qualifying monthly pay-
15 ment obligations that the borrower
16 satisfied on the component loan; and

17 “(III) after rounding the number
18 determined under subclause (II) to
19 the nearest whole number, deem that
20 number of equivalent monthly pay-
21 ment obligations to be qualifying
22 monthly payment obligations on the
23 Federal Direct Consolidation Loan.

24 “(C) APPLICABILITY OF BORROWER PRO-
25 TECTIONS AND RIGHTS.—A borrower of one or

1 more loans eligible for consolidation, including
2 loans made under part B, who applies for and
3 receives a Federal Direct Consolidation Loan
4 shall receive all the protections and rights pro-
5 vided under subparagraphs (B) and (C) of
6 paragraph (5) for the loan, and for any compo-
7 nent loan, in the same manner as provided to
8 any other borrower of a loan made under this
9 part.

10 “(D) TREATMENT OF CERTAIN CONSOLI-
11 DATION LOAN PAYMENTS.—In a case in which
12 a borrower makes a qualifying monthly pay-
13 ment obligation for purposes of paragraph (2)
14 on a Federal Direct Consolidation Loan that
15 was used to repay a Federal Direct Stafford
16 Loan, Federal Direct PLUS Loan, Federal Di-
17 rect Unsubsidized Stafford Loan, or Federal
18 Direct Consolidation Loan refinanced under
19 section 460A for which at least one qualifying
20 monthly payment obligation for such purposes
21 has been made prior to the consolidation, the
22 qualifying monthly payment obligation on such
23 Federal Direct Consolidation Loan shall be
24 treated as a qualifying monthly payment obliga-
25 tion for purposes of paragraph (2) on such Fed-

1 eral Direct Stafford Loan, Federal Direct
2 PLUS Loan, Federal Direct Unsubsidized Staf-
3 ford Loan, or Federal Direct Consolidation
4 Loan.

5 “(7) NOTICE OF QUALIFYING PAYMENT OBLIGA-
6 TIONS.—

7 “(A) INITIAL NOTICE.—Upon receiving
8 any verbal or written contact by a borrower on
9 or after July 1, 2019, expressing interest in the
10 public service loan forgiveness program under
11 this subsection, the Secretary, or an eligible
12 lender or guaranty agency under part B, shall
13 provide the borrower, by not later than 30 days
14 after the contract, with a notice that—

15 “(i) explains the requirements of the
16 program, including whether the borrower
17 needs to consolidate some or all of the bor-
18 rower’s loans to receive forgiveness under
19 this subsection;

20 “(ii) includes a copy of, or a link to,
21 information about the certification of em-
22 ployment process described in paragraph
23 (4);

24 “(iii) includes an estimate of the
25 qualifying monthly payment obligations

1 that would be satisfied by the borrower
2 based on the borrower’s payment history,
3 as of the date of notice, if the borrower
4 was a full-time employee of a qualifying
5 employer and met the requirements of
6 paragraph (2); and

7 “(iv) includes an estimate of the num-
8 ber of remaining qualifying monthly pay-
9 ment obligations to be satisfied in order
10 for the borrower to receive partial loan for-
11 giveness under paragraph (3)(A), and such
12 number needed to receive full loan forgive-
13 ness under paragraph (3)(B).

14 “(B) SUBSEQUENT NOTICES.—After pro-
15 viding an initial notice under subparagraph (A),
16 the Secretary, or an eligible lender or guaranty
17 agency under part B, shall annually provide the
18 borrower with a notice containing the informa-
19 tion described in such subparagraph for each
20 subsequent year that the borrower has an out-
21 standing loan, unless the borrower receives no-
22 tices under paragraph (4)(E)(ii) or requests
23 that the notices be discontinued.

24 “(8) DISPUTE RESOLUTION PROCESS.—By not
25 later than July 1, 2019, the Secretary shall establish

1 a process for borrowers to dispute the calculation of
2 qualifying monthly payment obligations, or the de-
3 termination of full or partial loan forgiveness under
4 paragraph (2), following the submission of a certifi-
5 cation of employment or application for forgiveness
6 or any successor certification or application.

7 “(9) SPECIAL RULES FOR SECTION 460A
8 LOANS.—

9 “(A) REFINANCED FEDERAL DIRECT
10 LOANS.—Notwithstanding paragraph (2), in de-
11 termining the number of monthly payments
12 that meet the requirements of such paragraph
13 for an eligible Federal Direct Loan refinanced
14 under section 460A that was originally a loan
15 under this part, the Secretary shall include all
16 monthly payments made on the original loan
17 that meet the requirements of such paragraph.

18 “(B) REFINANCED FFEL LOANS.—In the
19 case of an eligible Federal Direct Loan refi-
20 nanced under section 460A that was originally
21 a loan under part B, only monthly payments
22 made after the date on which the loan was refi-
23 nanced may be included for purposes of para-
24 graph (2).

25 “(10) INELIGIBILITY.—

1 “(A) NO DOUBLE BENEFITS.—No bor-
2 rower may, for the same service, receive a re-
3 duction of loan obligations under both this sub-
4 section and section 428J, 428K, 428L, or 460.

5 “(B) FEDERAL ELECTED SERVICE EX-
6 CLUDED.—No borrower may receive loan for-
7 giveness under this subsection for service as a
8 Member of Congress or President or Vice Presi-
9 dent of the United States.”.

10 (2) FFEL PROGRAM AMENDMENTS.—Part B of
11 the Higher Education Act of 1965 (20 U.S.C. 1071
12 et seq.) is amended—

13 (A) in section 428 (20 U.S.C. 1078), by
14 adding at the end the following:

15 “(p) REPAYMENT HISTORY INFORMATION AND PUB-
16 LIC SERVICE LOAN FORGIVENESS INFORMATION.—A
17 guaranty agency shall—

18 “(1) provide, in a timely manner, any necessary
19 borrower repayment history information that the
20 Secretary requests in order to determine the bor-
21 rower’s eligibility for the public service loan forgive-
22 ness program under section 455(m), or the number
23 of qualifying monthly payment obligations satisfied
24 for purposes of the program, including such infor-

1 mation from all servicers involved in servicing the
2 borrower’s loan; and

3 “(2) carry out the requirements of section
4 455(m)(7) upon receiving any verbal or written con-
5 tact by a borrower on or after July 1, 2019, express-
6 ing interest in the public service loan forgiveness
7 program under section 455(m).”; and

8 (B) in section 433 (20 U.S.C. 1083)—

9 (i) by redesignating subsection (f) as
10 subsection (g); and

11 (ii) by inserting after subsection (e)
12 the following:

13 “(f) REPAYMENT HISTORY INFORMATION.—An eligi-
14 ble lender shall—

15 “(1) provide, in a timely manner, any necessary
16 borrower repayment history information that the
17 Secretary requests in order to determine the bor-
18 rower’s eligibility for the public service loan forgive-
19 ness program under section 455(m), or the number
20 of qualifying monthly payment obligations satisfied
21 for purposes of the public service loan forgiveness
22 program under section 455(m), including such infor-
23 mation from all servicers involved in servicing the
24 borrower’s loan; and

1 “(2) carry out the requirements of section
2 455(m)(7) upon receiving any verbal or written con-
3 tact by a borrower on or after July 1, 2019, express-
4 ing interest in the public service loan forgiveness
5 program under section 455(m).”.

6 (b) NOTIFICATION TO DIRECT LOAN BORROWERS
7 REGARDING ALL OPTIONS FOR LOAN FORGIVENESS.—
8 Section 455 of the Higher Education Act of 1965 (20
9 U.S.C. 1087e) is amended by adding at the end the fol-
10 lowing:

11 “(r) ANNUAL NOTICE REGARDING LOAN FORGIVE-
12 NESS OPTIONS.—

13 “(1) IN GENERAL.—The Secretary shall annu-
14 ally provide a written or electronic disclosure to each
15 borrower of a loan under this part—

16 “(A) notifying the borrower—

17 “(i) of any loan forgiveness option
18 available under this title that might apply
19 to a loan under this part held by the bor-
20 rower, including the public service loan for-
21 giveness program under subsection (m);
22 and

23 “(ii) in the case of a borrower who is
24 a full-time employee of a Federal agency
25 and has not expressed interest in or sub-

1 mitted a certification of employment for
2 the public service loan forgiveness pro-
3 gram—

4 “(I) that the borrower is em-
5 ployed by a qualifying employer;

6 “(II) the number of payment ob-
7 ligations satisfied by the borrower
8 that the Secretary has determined
9 could be qualifying monthly payment
10 obligations on eligible Federal Direct
11 Loan for purposes of the public serv-
12 ice loan forgiveness program; and

13 “(III) the steps necessary for the
14 borrower to submit a certification of
15 employment and to obtain forgiveness
16 under subsection (m)(2);

17 “(B) informing the borrower that the loan
18 forgiveness options described in subparagraph
19 (A) are provided free of charge; and

20 “(C) including, for each loan forgiveness
21 option, information regarding how the borrower
22 should proceed, including contact information,
23 if the borrower wishes to pursue such loan for-
24 giveness option.

1 “(2) EXCLUSIONS.—Notwithstanding para-
2 graph (1), the Secretary shall not provide a notifica-
3 tion under this subsection to a borrower of a loan
4 under this part if—

5 “(A) the borrower is also receiving a notifi-
6 cation under subsection (m)(7); or

7 “(B) the borrower has requested that the
8 Secretary no longer provide the notifications
9 under this subsection.”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall take effect on July 1, 2019.

12 **SEC. 303. TRANSITION TO IMPROVED PUBLIC SERVICE**
13 **LOAN FORGIVENESS PROGRAM.**

14 (a) REVIEW OF BORROWERS CURRENTLY PARTICI-
15 PATING IN PUBLIC SERVICE LOAN FORGIVENESS.—

16 (1) CALCULATING THE NUMBER OF QUALI-
17 FYING PAYMENT OBLIGATIONS FOR CURRENT PUB-
18 LIC SERVICE LOAN FORGIVENESS PROGRAM PARTICI-
19 PANTS.—By not later than July 1, 2019, the Sec-
20 retary shall, for each borrower that has submitted a
21 certification of employment under the public service
22 loan forgiveness program under section 455(m) of
23 the Higher Education Act of 1965 (20 U.S.C.
24 1087e) before July 1, 2019—

1 (A) calculate the number of qualifying pay-
2 ment obligations under such section satisfied by
3 the borrower, using the criteria of such section
4 as in effect on July 1, 2019; and

5 (B) inform the borrower of the changes in
6 the public service loan forgiveness program and
7 the number of qualifying payment obligations
8 that the borrower will have satisfied for pur-
9 poses of the program, beginning on July 1,
10 2019.

11 (2) RETROACTIVE PARTIAL LOAN FORGIVE-
12 NESS.—By not later than July 1, 2019, the Sec-
13 retary shall take such steps as are necessary to pro-
14 vide partial loan forgiveness under section
15 455(m)(3)(A)(i) of the Higher Education Act of
16 1965 (20 U.S.C. 1087e(m)(3)(A)(i)), as in effect on
17 such date, to borrowers with outstanding balance of
18 principal and interest on a loan made under this
19 part who met the criteria for partial loan forgiveness
20 under such section, as in effect on July 1, 2019, be-
21 fore such date but on or after October 1, 2007.

22 (3) APPLICABILITY OF OTHER PROVISIONS.—In
23 carrying out paragraphs (1) and (2), and in any
24 other case where the Secretary is applying the loan
25 forgiveness provisions of section 455(m) of the High-

1 er Education Act of 1965 (20 U.S.C. 1087e(m)), as
2 in effect on July 1, 2019, to a borrower for whom
3 one or more payment obligations were satisfied be-
4 fore July 1, 2019, the Secretary shall determine the
5 number of payment obligations satisfied by applying
6 all of the provisions of such section as in effect on
7 July 1, 2019, including the calculation of payment
8 obligations under section 455(m)(5) of such Act and
9 the inclusion of payment obligations satisfied
10 through the component loans of a Federal Direct
11 Consolidation Loan under section 455(m)(6), with-
12 out regard as to the date on which the payment obli-
13 gation was satisfied.

14 (b) SPECIAL PSLF PROGRAM FUNDS.—

15 (1) DEFINITION OF SPECIAL PSLF PROGRAM
16 FUNDS.—In this section, the term “special PSLF
17 program funds” means the amounts appropriated
18 for public service loan forgiveness under section 315
19 of division H of the Consolidated Appropriations
20 Act, 2018 (Public Law 115–141; March 23, 2018)
21 or under section 313 of division B of the Depart-
22 ment of Defense and Labor, Health and Human
23 Services, and Education Appropriations Act, 2019
24 and Continuing Appropriations Act, 2019 (Public
25 Law 115–245; September 28, 2018).

1 (2) RESCISSION.—Upon the effective date de-
2 scribed in section 2(c), all special PSLF program
3 funds that remain unexpended on such date shall be
4 rescinded.

5 (3) TRANSITION.—The Secretary of Education
6 shall establish a process through which the Secretary
7 shall—

8 (A) review the applications of borrowers
9 who applied for the loan forgiveness program
10 carried out with special PSLF program funds
11 but had not received loan forgiveness through
12 such program before July 1, 2019; and

13 (B) assist such borrowers in pursuing loan
14 forgiveness under section 455(m) of the Higher
15 Education Act of 1965 (20 U.S.C. 1087e(m)),
16 as in effect on July 1, 2019.

17 **TITLE IV—INCOME-DRIVEN**
18 **REPAYMENT PLANS**

19 **SEC. 401. INCOME-BASED REPAYMENT PLAN.**

20 Section 493C of the Higher Education Act of 1965
21 (20 U.S.C. 1098e) is amended—

22 (1) in subsection (b)—

23 (A) in paragraph (8), by striking “and”
24 after the semicolon;

1 (B) in paragraph (9), by striking the pe-
2 riod at the end and inserting “; and”; and

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

4 “(10) a borrower who is repaying a loan made
5 under part B or D pursuant to this section may
6 repay such loan in full at any time without pen-
7 alty.”; and

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

9 “(f) INCOME-BASED REPAYMENT FOR NEW LOANS
10 ON AND AFTER JULY 1, 2019, AND FOR BORROWERS
11 WHO ENTER IBR AFTER JULY 1, 2019.—

12 “(1) IN GENERAL.—The income-based repay-
13 ment plan shall be carried out in accordance with
14 this section, except as otherwise specified in this
15 subsection (including through the special terms de-
16 scribed in paragraph (2))—

17 “(A) with respect to any loan issued on or
18 after July 1, 2019, if such borrower elects the
19 income-based repayment plan for that loan; and

20 “(B) with respect to any borrower who is
21 repaying a loan made, insured, or guaranteed
22 under part B or D, if such borrower elects to
23 repay the loan under the income-based repay-
24 ment plan on or after July 1, 2019.

1 “(2) SPECIAL TERMS.—Notwithstanding any
2 other provision of this section, with respect to a loan
3 described under paragraph (1), the following terms
4 shall apply to the income-based repayment plan:

5 “(A)(i) Notwithstanding subsection
6 (a)(3)(B), the repayment amount under this
7 subsection shall be an amount equal to 10 per-
8 cent of the result obtained by calculating, on at
9 least an annual basis, the amount by which—

10 “(I) the borrower’s, and the bor-
11 rower’s spouse (if applicable), adjusted
12 gross income; exceeds

13 “(II) the applicable percentage of the
14 poverty line in accordance with clause (ii)
15 that is applicable to the borrower’s family
16 size as determined under section 673(2) of
17 the Community Services Block Grant Act
18 (42 U.S.C. 9902(2)).

19 “(ii) For purposes of clause (i), the term
20 ‘applicable percentage’ means 150 percent re-
21 duced by 1 percentage point for each \$1,000 by
22 which the borrower’s adjusted gross income ex-
23 ceeds \$100,000.

24 “(B) A borrower may elect—

1 “(i) during any period during which
2 the borrower’s (and the borrower’s spouse,
3 if applicable) adjusted gross income is
4 equal to or less than 225 percent of the
5 poverty line applicable to the borrower’s
6 family size as determined under section
7 673(2) of the Community Services Block
8 Grant Act (42 U.S.C. 9902(2)), to have
9 the borrower’s aggregate monthly payment
10 for all such loans equal to \$0; and

11 “(ii) during any period during which
12 the borrower’s (and the borrower’s spouse,
13 if applicable) adjusted gross income ex-
14 ceeds 225 percent of such poverty line, to
15 have the borrower’s aggregate monthly
16 payment for all such loans not exceed, the
17 lesser of—

18 “(I) the result described in sub-
19 paragraph (A) divided by 12; or

20 “(II) the monthly amount cal-
21 culated under section 455(d)(1)(A),
22 based on a 10-year repayment period,
23 when the borrower first made the elec-
24 tion described in this subsection.

1 “(C) With respect to any loan for which
2 payments may be made under subparagraph
3 (B), be paid, or be treated as if no interest has
4 accrued, by the Secretary—

5 “(i) for any period described in sub-
6 paragraph (B)(i); and

7 “(ii) for the 6-month period after the
8 date the borrower ceases to carry at least
9 one-half the normal full-time academic
10 workload at an institution of higher edu-
11 cation, as determined by the institution,
12 and during which the borrower is not earn-
13 ing any income.

14 “(D) Subsection (b)(7)(B) shall be applied
15 by substituting ‘20 years’ for ‘25 years’.

16 “(E) A borrower of such a loan shall not
17 be required to have a partial financial hardship
18 and may elect, and remain enrolled in, the in-
19 come-based repayment plan under this sub-
20 section regardless of income level.

21 “(F) Subparagraph (A) of subsection
22 (b)(6) shall not apply and a borrower’s monthly
23 payment shall be determined in accordance with
24 subparagraph (A) divided by 12, which may ex-

1 ceed the monthly repayment amount under a
2 standard 10-year repayment plan.

3 “(G) Subparagraph (B) of subsection
4 (b)(3) shall not apply.

5 “(3) ADDITIONAL SPECIAL TERMS FOR CER-
6 TAIN BORROWERS.—A borrower described in para-
7 graph (1)(B)—

8 “(A) may choose to retain the repayment
9 plan in which the borrower is enrolled on June
10 30, 2019;

11 “(B) may elect to—

12 “(i) leave the repayment plan de-
13 scribed in subparagraph (A) and enter the
14 income-based repayment plan under this
15 subsection;

16 “(ii) leave the repayment plan de-
17 scribed in subparagraph (A) and enter a
18 standard 10-year repayment plan under
19 section 455(d)(A)(A); or

20 “(iii) not more than once per calendar
21 year, switch between the repayment plans
22 described in clauses (i) and (ii);

23 “(C) after electing to leave a repayment
24 plan other than an income-based repayment
25 plan described under this subsection or a stand-

1 ard 10-year repayment plan under section
 2 455(d)(A)(A), shall not be permitted to re-elect
 3 a repayment plan that is not an income-based
 4 repayment plan under this subsection or such
 5 standard 10-year repayment plan; and

6 “(D) shall retain, for purposes of repay-
 7 ment or cancellation of any outstanding balance
 8 of principal and interest due on a loan (as de-
 9 scribed in subsection (b)(7)) any years of repay-
 10 ment under another income-based or income-
 11 contingent repayment plan under this title.

12 “(4) CAP ON INTEREST ACCRUAL.—Notwith-
 13 standing any other provision of this Act, the total
 14 amount of interest that accrues during a borrower’s
 15 grace period and the time that a borrower is in re-
 16 payment under this subsection shall not exceed 50
 17 percent of the original principal amount of the
 18 loan.”.

19 **SEC. 402. TERMINATION OF CERTAIN REPAYMENT PLAN**
 20 **OPTIONS.**

21 (a) EFFECTIVE DATE; RULEMAKING REGARDING
 22 TERMINATION OF CERTAIN REPAYMENT PLANS.—

23 (1) EFFECTIVE DATE.—The amendments made
 24 by this section shall take effect on July 1, 2019.

1 (2) REGULATIONS.—Before the effective date
2 described in paragraph (1), the Secretary of Edu-
3 cation shall carry out a plan to end all eligibility for
4 repayment plans other than a standard repayment
5 plan under section 428(b)(9)(A)(i) or 455(d)(1)(A)
6 with a repayment period of 10 years and an income-
7 based repayment plan described under section
8 493C(f) for loans made under part B or D of title
9 IV of the Higher Education Act of 1965, unless the
10 borrower is enrolled in another repayment plan be-
11 fore such effective date, in accordance with the
12 amendments made by this Act.

13 (b) CHANGES TO CURRENT LAW.—

14 (1) Section 428(b) of the Higher Education Act
15 of 1965 (20 U.S.C. 1078(b)) is amended—

16 (A) in paragraph (1)—

17 (i) in subparagraph (D)—

18 (I) in clause (ii), by striking
19 “may annually change the selection of
20 a repayment plan under this part,”
21 and inserting “may at any time after
22 July 1, 2019, and not more frequently
23 than once per calendar year there-
24 after, change the selection of a repay-
25 ment plan under this part to one of

1 the 2 repayment plans described in
2 paragraph (9)(C),”; and

3 (II) in clause (iii), by striking
4 “be subject to income-contingent re-
5 payment in accordance with sub-
6 section (m);” and inserting “be sub-
7 ject to income-based repayment in ac-
8 cordance with section 493C(f);”; and

9 (ii) in subparagraph (E)(i), by strik-
10 ing “the option of repaying the loan in ac-
11 cordance with a standard, graduated, in-
12 come-sensitive, or extended repayment
13 schedule (as described in paragraph (9))
14 established by the lender in accordance
15 with regulations of the Secretary; and”
16 and inserting “the option of repaying the
17 loan in accordance with a repayment plan
18 described in paragraph (9)(C) established
19 by the lender in accordance with regula-
20 tions of the Secretary; and”; and

21 (B) in paragraph (9), by adding at the end
22 the following:

23 “(C) SELECTION OF REPAYMENT PLANS
24 ON AND AFTER JULY 1, 2019.—

1 “(i) OPPORTUNITY TO CHANGE RE-
2 PAYMENT PLANS.—Notwithstanding any
3 other provision of this paragraph, or any
4 other provision of law, and in accordance
5 with regulations, beginning on July 1,
6 2019, the lender shall offer a borrower of
7 a loan made, insured, or guaranteed under
8 this part the opportunity to change repay-
9 ment plans not more than once per cal-
10 endar year, and to enroll in one of the fol-
11 lowing repayment plans:

12 “(I) A standard repayment plan
13 under section 428(b)(9)(A)(i) with a
14 repayment period of 10 years.

15 “(II) The income-based repay-
16 ment plan under section 493C(f).”;

17 (2) in section 455(d)—

18 (A) by redesignating paragraphs (2)
19 through (5) as paragraphs (3) through (6), re-
20 spectively; and

21 (B) by inserting after paragraph (1), the
22 following:

23 “(2) DESIGN AND SELECTION ON AND AFTER
24 JULY 1, 2019.—

1 “(A) IN GENERAL.—Notwithstanding para-
2 graph (1), for the borrower of a loan made on
3 or after July 1, 2019, and for other borrowers
4 subject to paragraph (7), the Secretary shall
5 offer a borrower of a loan made under this part
6 2 plans for repayment of such loan, including
7 principal and interest on the loan. The borrower
8 shall be entitled to accelerate, without penalty,
9 repayment on the borrower’s loans under this
10 part. The borrower may choose—

11 “(i) a standard repayment plan under
12 section 455(d)(1)(A) with a repayment pe-
13 riod of 10 years; or

14 “(ii) the income-based repayment plan
15 under section 493C(f).

16 “(B) SELECTION BY THE SECRETARY.—If
17 a borrower of a loan made under this part on
18 or after July 1, 2019, does not select a repay-
19 ment plan described in subparagraph (A), the
20 Secretary may provide the borrower with a
21 standard repayment plan under section
22 455(d)(1)(A) with a repayment period of 10
23 years.

24 “(C) CHANGES IN SELECTIONS.—Begin-
25 ning on July 1, 2019, a borrower of a loan

1 made under this part may change the bor-
2 rower’s selection of a repayment plan in accord-
3 ance with paragraph (7) and under such terms
4 and conditions as may be established by the
5 Secretary.

6 “(D) BORROWER IN DEFAULT.—Beginning
7 on July 1, 2019, the Secretary may require any
8 borrower who has defaulted on a loan made
9 under this part to—

10 “(i) pay all reasonable collection costs
11 associated with such loan; and

12 “(ii) repay the loan pursuant to an in-
13 come-based repayment plan under section
14 493C(f).”; and

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

16 “(7) BORROWERS OF LOANS MADE BEFORE
17 JULY 1, 2019.—A borrower who is in repayment on
18 a loan made under part B or part D before July 1,
19 2019—

20 “(A) may choose to retain the repayment
21 plan that the borrower was enrolled in on the
22 day before such date;

23 “(B) may elect to—

24 “(i) enter the income-based repayment
25 plan under section 493C(f);

1 “(ii) enter a standard repayment plan
2 under section 455(d)(1)(A) with a repay-
3 ment period of 10 years; or

4 “(iii) switch between the repayment
5 plans described in clauses (i) and (ii) not
6 more than once during a calendar year;

7 “(C) after electing to leave a repayment
8 plan other than an income-based repayment
9 plan described under this subsection or a stand-
10 ard repayment plan under section 455(d)(1)(A),
11 shall not be permitted to re-elect a repayment
12 plan that is not an income-based repayment
13 plan under this subsection or a standard repay-
14 ment plan under section 455(d)(1)(A); and

15 “(D) shall retain, for purposes of repay-
16 ment or cancellation of any outstanding balance
17 of principal and interest due on a loan (as de-
18 scribed in section 493C(b)(7)) any years of re-
19 payment under another income-based or in-
20 come-contingent repayment plan under this
21 title.”.

22 **SEC. 403. NOTIFICATION AND AUTOMATIC ENROLLMENT**
23 **PROCEDURES.**

24 (a) **INCOME-CONTINGENT REPAYMENT.**—Section
25 455(d) of the Higher Education Act of 1965 (20 U.S.C.

1 1087e(d)) is further amended by adding at the end the
2 following:

3 “(8) NOTIFICATION AND AUTOMATIC ENROLL-
4 MENT PROCEDURES FOR BORROWERS WHO ARE DE-
5 LINQUENT ON LOANS.—

6 “(A) AUTHORITY TO OBTAIN INCOME IN-
7 FORMATION.—

8 “(i) IN GENERAL.—In the case of any
9 borrower who is at least 60 days delin-
10 quent on a covered loan, the Secretary may
11 obtain such information as is reasonably
12 necessary regarding the income and family
13 size of the borrower (and the borrower’s
14 spouse, if applicable).

15 “(ii) AVAILABILITY OF RETURNS AND
16 RETURN INFORMATION.—Returns and re-
17 turn information (as defined in section
18 6103 of the Internal Revenue Code of
19 1986) may be obtained under this subpara-
20 graph only to the extent authorized by sec-
21 tion 6103(l)(13) of such Code.

22 “(B) BORROWER NOTIFICATION.—With re-
23 spect to each borrower of a covered loan who is
24 at least 60 days delinquent on such loan and
25 who has not been subject to the procedures

1 under this paragraph for such loan in the pre-
2 ceeding 120 days, the Secretary shall, as soon as
3 practicable after such 60-day delinquency, pro-
4 vide to the borrower the following:

5 “(i) Notification that the borrower is
6 at least 60 days delinquent on at least 1
7 covered loan, and a description of all delin-
8 quent covered loans, nondelinquent covered
9 loans, and noncovered loans of the bor-
10 rower.

11 “(ii) A brief description of the repay-
12 ment plans for which the borrower is eligi-
13 ble and the covered loans and noncovered
14 loans of the borrower that may be eligible
15 for such plans, based on information avail-
16 able to the Secretary.

17 “(iii) Clear and simple instructions on
18 how to select the repayment plans.

19 “(iv) The amount of monthly pay-
20 ments for the covered and noncovered
21 loans under the repayment plans for which
22 the borrower is eligible, based on informa-
23 tion available to the Secretary, including, if
24 the income information of the borrower is

1 available to the Secretary under subpara-
2 graph (A)—

3 “(I) the amount of the monthly
4 payment under each income-driven re-
5 payment plan for which the borrower
6 is eligible for the borrower’s covered
7 and noncovered loans, based on such
8 income information; and

9 “(II) the income, family size, tax
10 filing status, and tax year information
11 on which each monthly payment is
12 based.

13 “(v) An explanation that in the case
14 of a borrower for whom adjusted gross in-
15 come is unavailable—

16 “(I) if the borrower selects to
17 repay the covered loans of such bor-
18 rower pursuant to an income-driven
19 repayment plan that defines discre-
20 tionary income in such a manner that
21 an individual not required under sec-
22 tion 6012(a)(1) of the Internal Rev-
23 enue Code of 1986 to file a return
24 with respect to income taxes imposed
25 by subtitle A of such Code may have

1 a calculated monthly payment greater
2 than \$0, the borrower will be required
3 to provide the Secretary with other
4 documentation of income satisfactory
5 to the Secretary, which documentation
6 the Secretary may use to determine
7 an appropriate repayment schedule;
8 and

9 “(II) if the borrower selects to
10 repay such loans pursuant to an in-
11 come-driven repayment plan that is
12 not described in subclause (I), the
13 borrower will not be required to pro-
14 vide the Secretary with such other
15 documentation of income, and the bor-
16 rower will have a calculated monthly
17 payment of \$0.

18 “(vi) An explanation that the Sec-
19 retary shall take the actions under sub-
20 paragraph (C) with respect to such bor-
21 rower, if—

22 “(I) the borrower is 120 days de-
23 linquent on one or more covered loans
24 and has not selected a new repayment

1 plan for the covered loans of the bor-
2 rower; and

3 “(II) in the case of such a bor-
4 rower whose repayment plan for the
5 covered loans of the borrower is not
6 an income-driven repayment plan, the
7 monthly payments under such repay-
8 ment plan are higher than such
9 monthly payments would be under an
10 income-driven repayment plan for
11 such loans.

12 “(vii) Instructions on updating the in-
13 formation of the borrower obtained under
14 subparagraph (A).

15 “(C) SECRETARY’S INITIAL SELECTION OF
16 PLAN.—With respect to each borrower de-
17 scribed in subparagraph (B) who has a repay-
18 ment plan for the covered loans of the borrower
19 that meets the requirements of clause (vi)(II) of
20 subparagraph (B) and has not selected a new
21 repayment plan for such loans in accordance
22 with the notice received under such subpara-
23 graph, and who is at least 120 days delinquent
24 on such a loan, the Secretary shall, as soon as
25 practicable—

1 “(i) in a case in which any of the bor-
2 rower’s covered loans are eligible for an in-
3 come-driven repayment plan—

4 “(I)(aa) provide the borrower
5 with the income-driven repayment
6 plan that requires the lowest monthly
7 payment amount for each covered loan
8 of the borrower, compared to any
9 other such plan for which the bor-
10 rower is eligible; or

11 “(bb) if more than one income-
12 driven repayment plan would offer the
13 borrower the same lowest monthly
14 payment amount, provide the bor-
15 rower with the income-driven repay-
16 ment plan that has the most favorable
17 terms for the borrower;

18 “(II) if the plan selected under
19 subclause (I) is not the income-driven
20 repayment plan that would have the
21 lowest monthly payment amount if the
22 borrower were eligible for such plan
23 for the borrower’s covered loans and
24 noncovered loans, notify the borrower
25 of the actions, if any, the borrower

1 may take to become eligible for such
2 income-driven repayment plan; and

3 “(III) authorize the borrower to
4 change the Secretary’s selection of a
5 plan under this clause to any plan de-
6 scribed in paragraph (1) for which the
7 borrower is eligible; and

8 “(ii) in a case in which none of the
9 borrower’s covered loans are eligible for an
10 income-driven repayment plan, notify the
11 borrower of the actions, if any, the bor-
12 rower may take for such loans to become
13 eligible for such a plan.

14 “(D) SECRETARY’S ADDITIONAL SELEC-
15 TION OF PLAN.—

16 “(i) IN GENERAL.—With respect to
17 each borrower of a covered loan who se-
18 lects a new repayment plan in accordance
19 with the notice received under subpara-
20 graph (B) and who continues to be delin-
21 quent on such loan for a period described
22 in clause (ii), the Secretary shall, as soon
23 as practicable after such period, carry out
24 the procedures described in clauses (i) and
25 (ii) of subparagraph (C) for the covered

1 loans of the borrower, if such procedures
2 would result in lower monthly repayment
3 amounts on such loan.

4 “(ii) DESCRIPTION OF PERIOD.—The
5 duration of the period described in clause
6 (i) shall be the amount of time that the
7 Secretary determines is sufficient to indi-
8 cate that the borrower may benefit from
9 repaying such loan under a new repayment
10 plan, but in no case shall such period be
11 less than 60 days.

12 “(E) OPT-OUT.—A borrower of a covered
13 loan shall have the right to opt-out of the pro-
14 cedures under this paragraph.

15 “(9) DEFINITIONS.—In this subsection:

16 “(A) COVERED LOAN.—The term ‘covered
17 loan’ means—

18 “(i) a loan made under this part;

19 “(ii) a loan purchased under section
20 459A; or

21 “(iii) a loan that has been assigned to
22 the Secretary under section 428(c)(8) or
23 part E.

1 “(B) INCOME-DRIVEN REPAYMENT
2 PLAN.—The term ‘income-driven repayment
3 plan’ means—

4 “(i) in the case of a covered loan
5 made under this part, purchased under
6 section 459A, or assigned to the Secretary
7 before July 1, 2019, a plan described in
8 subparagraph (D) or (E) of paragraph (1);
9 and

10 “(ii) in the case of a covered loan
11 made under this part, purchased under
12 section 459A, or assigned to the Secretary
13 before July 1, 2019, the income-based re-
14 payment plan under section 493C(f).

15 “(C) NONCOVERED LOAN.—The term
16 ‘noncovered loan’ means a loan made, insured,
17 or guaranteed under this title that is not a cov-
18 ered loan.”.

19 (b) CHANGING PLANS.—Section 493C(b)(8) of the
20 Higher Education Act of 1965 (20 U.S.C. 1098e(b)(8))
21 is amended to read as follows:

22 “(8) a borrower who is repaying a loan made,
23 insured, or guaranteed under part B or D pursuant
24 to income-based repayment may elect, at any time,
25 to terminate repayment pursuant to income-based

1 repayment and repay such loan under any repay-
2 ment plan for which the loan is eligible in accord-
3 ance with the requirements of part B or part D, re-
4 spectively; and”.

5 (c) EFFECTIVE DATE; APPLICATION.—

6 (1) AUTOMATIC ENROLLMENT.—The amend-
7 ments made by subsection (a) shall—

8 (A) take effect as soon as the Secretary of
9 Education determines practicable after the Sec-
10 retary finalizes the procedures under section
11 405, but not later than 2 years after the date
12 of enactment of this Act; and

13 (B) apply to all borrowers of covered loans
14 (as defined in section 455(d)(9) of the Higher
15 Education Act of 1965, as added by subsection
16 (a)).

17 (2) CHANGING PLANS.—The amendment made
18 by subsection (b) shall take effect on the date of en-
19 actment of this Act.

20 **SEC. 404. AUTOMATIC RECERTIFICATION OF INCOME.**

21 (a) INCOME-CONTINGENT REPAYMENT.—Section
22 455(e) of the Higher Education Act of 1965 (20 U.S.C.
23 1087e(e)) is amended—

24 (1) in paragraph (3)—

1 (A) by striking “does not reasonably re-
2 flect the borrower’s current income” and insert-
3 ing “whose income has decreased relative to the
4 adjusted gross income available to the Sec-
5 retary”; and

6 (B) by inserting “, consistent with the pro-
7 cedures established under paragraph
8 (8)(B)(iv)” before the period at the end; and
9 (2) by adding at the end the following:

10 “(8) AUTOMATIC RECERTIFICATION.—

11 “(A) DEFINITION.—In this paragraph, the
12 term ‘covered loan’ has the meaning given the
13 term in subsection (d)(9).

14 “(B) IN GENERAL.—Beginning as soon as
15 the Secretary determines practicable after the
16 Secretary finalizes the procedures under section
17 405 of the Helping Individuals Get a Higher
18 Education while Reducing Education Debt Act,
19 but not later than 2 years after the date of en-
20 actment of such Act, the Secretary shall estab-
21 lish and implement, with respect to any bor-
22 rower described in subparagraph (C), proce-
23 dures to—

24 “(i) obtain (for each year of repay-
25 ment and without further action by the

1 borrower) such information as is reason-
2 ably necessary regarding the income of
3 such borrower (and the borrower’s spouse,
4 if applicable), for the purpose of deter-
5 mining the repayment obligation of the
6 borrower for such year, including informa-
7 tion with respect to the borrower’s family
8 size in accordance with the procedures
9 under section 405 of the Helping Individ-
10 uals Get a Higher Education while Reduc-
11 ing Education Debt Act, subject to clause
12 (ii);

13 “(ii) allow the borrower, at any time,
14 to opt-out of clause (i) and prevent the
15 Secretary from obtaining information
16 under such clause without further action
17 by the borrower;

18 “(iii) provide the borrower with an op-
19 portunity to update the information ob-
20 tained under clause (i) before the deter-
21 mination of the annual repayment obliga-
22 tion of the borrower; and

23 “(iv) in the case of a borrower for
24 whom adjusted gross income is unavail-
25 able—

1 “(I) if the borrower has selected
2 to repay the covered loans of such
3 borrower pursuant to an income-con-
4 tingent repayment plan that defines
5 discretionary income in such a man-
6 ner that an individual not required
7 under section 6012(a)(1) of the Inter-
8 nal Revenue Code of 1986 to file a re-
9 turn with respect to income taxes im-
10 posed by subtitle A of such Code may
11 have a calculated monthly payment
12 greater than \$0, the borrower will be
13 required to provide the Secretary with
14 other documentation of income satis-
15 factory to the Secretary, which docu-
16 mentation the Secretary may use to
17 determine an appropriate repayment
18 schedule; or

19 “(II) if the borrower has selected
20 to repay such loans pursuant to an in-
21 come-contingent repayment that is not
22 described in subclause (I), the bor-
23 rower will not be required to provide
24 the Secretary with such other docu-
25 mentation of income, and the bor-

1 rower will have a calculated monthly
2 payment of \$0.

3 “(C) APPLICABILITY.—Subparagraph (B)
4 shall apply to each borrower of a covered loan
5 who, on or after the date on which the Sec-
6 retary establishes procedures under such sub-
7 paragraph—

8 “(i) selects, or for whom the Secretary
9 selects under subparagraph (C) or (D) of
10 paragraph (8) of subsection (d), or section
11 428(m)(1), an income-contingent repay-
12 ment plan; or

13 “(ii) recertifies income and family size
14 under such plan.

15 “(D) AVAILABILITY OF RETURNS AND RE-
16 TURN INFORMATION.—Returns and return in-
17 formation (as defined in section 6103 of the In-
18 ternal Revenue Code of 1986) may be obtained
19 under subparagraph (B)(i) only to the extent
20 authorized by section 6103(l)(13) of such Code.

21 “(E) OTHER REQUIREMENTS.—The proce-
22 dures established by the Secretary under this
23 paragraph shall be consistent with the require-
24 ments of paragraphs (1) through (7), except as
25 otherwise provided in this paragraph.”.

1 (b) INCOME-BASED REPAYMENT.—Section 493C(c)
2 of the Higher Education Act of 1965 (20 U.S.C. 1098e(e))
3 is amended—

4 (1) by striking “The Secretary shall establish”
5 and inserting the following:

6 “(1) IN GENERAL.—The Secretary shall estab-
7 lish”;

8 (2) by striking “The Secretary shall consider”
9 and inserting the following:

10 “(2) PROCEDURES FOR ELIGIBILITY.—The Sec-
11 retary shall—

12 “(A) consider”; and

13 (3) by striking “428C(b)(1)(E).” and inserting
14 the following: “428C(b)(1)(E); and

15 “(B) beginning as soon as the Secretary
16 determines practicable after the Secretary final-
17 izes the procedures under section 405 of the
18 Helping Individuals Get a Higher Education
19 while Reducing Education Debt Act, but not
20 later than 2 years after the date of enactment
21 of such Act, carry out, with respect to bor-
22 rowers of any covered loan (as defined in sec-
23 tion 455(d)(9)), procedures for income-based
24 repayment plans that are equivalent to the pro-
25 cedures carried out under section 455(e)(8)

1 with respect to income-contingent repayment
2 plans.”.

3 **SEC. 405. STUDY AND PROCEDURES ON DETERMINING FAM-**
4 **ILY SIZE.**

5 (a) **IN GENERAL.**—Not later than 1 year after the
6 date of enactment of this Act, the Secretary of Education
7 shall—

8 (1) jointly with the Secretary of the Treasury,
9 conduct a study, which meets the specifications de-
10 scribed in subsection (b), on the effect of using data
11 from the Internal Revenue Service on the deduction
12 for personal exemptions provided by section 151 of
13 the Internal Revenue Code of 1986 for a proxy for
14 family size in an income-driven repayment plan, and
15 publish such study in the Federal Register;

16 (2) use the results of the study conducted under
17 paragraph (1) to develop procedures for determining
18 family size for the automatic recertification of in-
19 come for an income-driven repayment plan in a man-
20 ner that minimizes burdens and unintended harm to
21 borrowers;

22 (3) publish the procedures developed under
23 paragraph (2) in the Federal Register; and

1 (4) after a notice and comment period on such
2 procedures, use such comments to finalize the proce-
3 dures.

4 (b) SPECIFICATIONS.—The study conducted under
5 subsection (a)(1) shall—

6 (1) determine how closely such personal exemp-
7 tions match the family size that borrowers report on
8 their income-driven repayment plan request form;

9 (2) compare the borrower’s actual monthly pay-
10 ment amount with the monthly payment amount
11 borrowers would have using family size information
12 derived from tax returns; and

13 (3) use data from more than one year, where
14 possible, to analyze how much family size changes
15 over time.

16 (c) DEFINITION.—The term “income-driven repay-
17 ment plan” has the meaning given the term in section
18 455(d)(9) of the Higher Education Act of 1965, as
19 amended by this Act.

20 **SEC. 406. DISCLOSURE OF TAX RETURN INFORMATION TO**
21 **CARRY OUT CERTAIN HIGHER EDUCATION**
22 **LOAN PROGRAMS.**

23 (a) IN GENERAL.—Paragraph (13) of section 6103(l)
24 of the Internal Revenue Code of 1986 is amended to read
25 as follows:

1 “(13) DISCLOSURE OF RETURNS AND RETURN
2 INFORMATION FOR PURPOSES OF STUDENT LOAN
3 ADMINISTRATION.—

4 “(A) IN GENERAL.—The Secretary, subject
5 to such requirements and conditions as the Sec-
6 retary may prescribe, shall upon written request
7 from the Secretary of Education disclose to offi-
8 cers and employees of the Department of Edu-
9 cation returns and return information with re-
10 spect to a taxpayer who has received an appli-
11 cable student loan.

12 “(B) RESTRICTION ON USE OF DISCLOSED
13 INFORMATION.—Return information disclosed
14 under subparagraph (A) may be used by offi-
15 cers and employees of the Department of Edu-
16 cation only for the purposes of, and to the ex-
17 tent necessary for purposes of—

18 “(i) establishing the appropriate in-
19 come-contingent repayment amount in con-
20 nection with an applicable student loan,

21 “(ii) establishing the appropriate re-
22 payment amount under an applicable in-
23 come-driven repayment plan (as defined in
24 section 455(d)(9) of such Act (20 U.S.C.

1 1087e(d))) in connection with an applica-
2 ble student loan for—

3 “(I) borrowers who have selected
4 such a plan, and

5 “(II) in the case of any recertifi-
6 cation under section 455(e)(8) or
7 493C(c)(2)(B) of the Higher Edu-
8 cation Act of 1965 (20 U.S.C.
9 1087e(e); 1098e(c)), borrowers who
10 are enrolled in such a plan, and

11 “(iii) in the case of borrowers who are
12 at least 60 days delinquent on an applica-
13 ble student loan—

14 “(I) providing notice of eligibility
15 for an income-driven repayment plan
16 (as so defined) pursuant to section
17 455(d)(8)(B) of the Higher Education
18 Act of 1965 (20 U.S.C. 1087e(d)),
19 and

20 “(II) automatic enrollment in
21 such an income-driven repayment plan
22 after such borrowers are at least 120
23 days delinquent on such a loan pursu-
24 ant to section 455(d)(8)(C) of such
25 Act (20 U.S.C. 1087e(d)).

1 “(C) DISCLOSURE TO CERTAIN CONTRAC-
2 TORS.—Officers and employees of the Depart-
3 ment of Education may disclose the information
4 described in subparagraph (A) to persons
5 awarded contracts by the Secretary of Edu-
6 cation under section 456 of the Higher Edu-
7 cation Act of 1965 (20 U.S.C. 1087f) to the ex-
8 tent necessary for the purposes described in
9 subparagraph (B).

10 “(D) SPOUSAL INFORMATION FOR MAR-
11 RIED INDIVIDUALS FILING SEPARATE RE-
12 TURNS.—For purposes of this paragraph, in the
13 case of a married individual filing a separate re-
14 turn, the term ‘taxpayer’ includes the spouse of
15 that individual if the Secretary of Education re-
16 quests information from the spouse of that indi-
17 vidual and the individual and the spouse have
18 consented in writing.

19 “(E) APPLICABLE STUDENT LOAN.—For
20 purposes of this paragraph, the term ‘applicable
21 student loan’ means—

22 “(i) any loan which is made, insured,
23 or guaranteed under a program authorized
24 under part B or D of title IV of the High-

1 er Education Act of 1965 (20 U.S.C. 1071
2 et seq.; 1087a et seq.), and

3 “(ii) any loan which is made under
4 part E of such title IV (20 U.S.C. 1087aa
5 et seq.) which is in default and has been
6 assigned to the Department of Edu-
7 cation.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 6103(a)(3) of such Code is amended
10 by inserting “(13),” after “(12),”.

11 (2) Section 6103(p)(4) of such Code is amend-
12 ed by inserting “(13),” after “(l)(10),” each place it
13 occurs.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to disclosures made after the date
16 of enactment of this Act.

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