

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

# H. R. 9192

To amend the Higher Education Act of 1965 to include notification and automatic enrollment procedures for borrowers who are delinquent on loans, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2024

Ms. BONAMICI (for herself, Mr. MOULTON, Mrs. HAYES, Mr. TAKANO, Mrs. MCBATH, Ms. WILSON of Florida, and Ms. TOKUDA) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Higher Education Act of 1965 to include notification and automatic enrollment procedures for borrowers who are delinquent on 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.**

4 This Act may be cited as the “Streamlining Income-  
5 driven, Manageable Payments on Loans for Education  
6 Act” or the “SIMPLE Act”.

1 **SEC. 2. NOTIFICATION AND AUTOMATIC ENROLLMENT**  
2 **PROCEDURES FOR BORROWERS WHO ARE**  
3 **DELINQUENT ON LOANS AND FOR BOR-**  
4 **ROWERS WHO ARE REHABILITATING DE-**  
5 **FAULTED LOANS.**

6 (a) AMENDMENTS.—

7 (1) NOTIFICATION AND AUTOMATIC ENROLL-  
8 MENT PROCEDURES.—Section 455(d) of the Higher  
9 Education Act of 1965 (20 U.S.C. 1087e(d)) is  
10 amended by adding at the end the following:

11 “(6) NOTIFICATION AND AUTOMATIC ENROLL-  
12 MENT PROCEDURES FOR BORROWERS WHO ARE DE-  
13 LINQUENT ON LOANS.—

14 “(A) AUTHORITY TO OBTAIN INCOME IN-  
15 FORMATION.—The Secretary shall establish and  
16 implement, with respect to any borrower de-  
17 scribed in subparagraph (B), procedures to—

18 “(i) use return information of the bor-  
19 rower (and the borrower’s spouse, if appli-  
20 cable) disclosed under section 6103(l)(13)  
21 of the Internal Revenue Code of 1986, pur-  
22 suant to approval provided under section  
23 494, to determine the income and family  
24 size of the borrower (and the borrower’s  
25 spouse, if applicable) without further ac-  
26 tion by the borrower;

1           “(ii) allow the borrower (or the spouse  
2           of the borrower), at any time, to opt out  
3           of disclosure under such section  
4           6103(l)(13) and instead provide such infor-  
5           mation as the Secretary may require to de-  
6           termine the income and family size of the  
7           borrower (and the borrower’s spouse, if ap-  
8           plicable); and

9           “(iii) provide the borrower with an op-  
10          portunity to update the return information  
11          so disclosed before the determination of the  
12          income and family size of the borrower for  
13          purposes of this paragraph.

14          “(B) BORROWER NOTIFICATION.—With re-  
15          spect to each borrower of a covered loan who is  
16          at least 31 days delinquent on such loan and  
17          who has not been subject to the procedures  
18          under this paragraph for such loan in the pre-  
19          ceding 120 days, the Secretary shall, as soon as  
20          practicable after such 31-day delinquency, pro-  
21          vide to the borrower the following:

22                 “(i) Notification that the borrower is  
23                 at least 31 days delinquent on at least 1  
24                 covered loan, and a description of all delin-  
25                 quent covered loans, nondelinquent covered

1 loans, and noncovered loans of the bor-  
2 rower.

3 “(ii) A brief description of the repay-  
4 ment plans for which the borrower is eligi-  
5 ble and the covered loans and noncovered  
6 loans of the borrower that may be eligible  
7 for such plans, based on information avail-  
8 able to the Secretary.

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

11 “(iv) In the case of a borrower of a  
12 loan under section 428B, or a Federal Di-  
13 rect PLUS Loan, that is made, insured, or  
14 guaranteed on behalf of a dependent stu-  
15 dent, an explanation that the borrower  
16 may qualify for an income-driven repay-  
17 ment plan if the borrower consolidates  
18 such loan into a Federal Direct Consolida-  
19 tion Loan, and the amount of the monthly  
20 payment of such consolidation loan if the  
21 borrower does so consolidate.

22 “(v) The amount of monthly pay-  
23 ments for the covered and noncovered  
24 loans under the repayment plans for which  
25 the borrower is eligible, based on informa-

1           tion available to the Secretary, including, if  
2           the income information of the borrower is  
3           available to the Secretary under subpara-  
4           graph (A)—

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

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

15                  “(vi) An explanation that in the case  
16                  of a borrower for whom adjusted gross in-  
17                  come is unavailable—

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

1 with respect to income taxes imposed  
2 by subtitle A of such Code may have  
3 a calculated monthly payment greater  
4 than \$0, the borrower will be required  
5 to provide the Secretary with other  
6 documentation of income satisfactory  
7 to the Secretary, which documentation  
8 the Secretary may use to determine  
9 an appropriate repayment schedule;  
10 and

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

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

24 “(I) the borrower is 75 days de-  
25 linquent on one or more covered loans

1 and has not selected a new repayment  
2 plan for the covered loans of the bor-  
3 rower; and

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

13 “(viii) Instructions on updating the  
14 information of the borrower obtained under  
15 subparagraph (A).

16 “(C) SECRETARY’S INITIAL SELECTION OF  
17 PLAN.—With respect to each borrower de-  
18 scribed in subparagraph (B) who has a repay-  
19 ment plan for the covered loans of the borrower  
20 that meets the requirements of clause (vi)(II) of  
21 subparagraph (B) and has not selected a new  
22 repayment plan for such loans in accordance  
23 with the notice received under such subpara-  
24 graph, and who is at least 75 days delinquent

1 on such a loan, the Secretary shall, as soon as  
2 practicable—

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

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

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

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



1 noncovered loans, notify the borrower  
2 of the actions, if any, the borrower  
3 may take to become eligible for such  
4 income-driven repayment plan; and

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

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

16 “(D) SECRETARY’S ADDITIONAL SELEC-  
17 TION OF PLAN.—

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

1 the procedures described in clauses (i) and  
2 (ii) of subparagraph (C) for the covered  
3 loans of the borrower, if such procedures  
4 would result in lower monthly repayment  
5 amounts on such loan.

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

14 “(7) NOTIFICATION AND AUTOMATIC ENROLL-  
15 MENT PROCEDURES FOR BORROWERS WHO ARE RE-  
16 HABILITATING DEFAULTED LOANS.—

17 “(A) AUTHORITY TO OBTAIN INCOME IN-  
18 FORMATION.—The Secretary shall establish and  
19 implement, with respect to any borrower who is  
20 rehabilitating a covered loan pursuant to sec-  
21 tion 428F(a), procedures to—

22 “(i) use return information of the bor-  
23 rower (and the borrower’s spouse, if appli-  
24 cable) disclosed section 6103(l)(13) of the  
25 Internal Revenue Code of 1986, pursuant

1 to approval provided under section 494, to  
2 obtain such information as is reasonably  
3 necessary regarding the income and family  
4 size of the borrower (and the borrower's  
5 spouse, if applicable);

6 “(ii) allow the borrower (or the spouse  
7 of the borrower), at any time, to opt out  
8 of disclosure under such section  
9 6103(l)(13) and instead provide such infor-  
10 mation as the Secretary may require to ob-  
11 tain such information; and

12 “(iii) provide the borrower with an op-  
13 portunity to update the return information  
14 so disclosed before the determination of in-  
15 come and family size of the borrower (and  
16 the borrower's spouse, if applicable) for  
17 purposes of this paragraph.

18 “(B) BORROWER NOTIFICATION.—Not  
19 later than 30 days after a borrower makes the  
20 6th payment required for the loan rehabilitation  
21 described in subparagraph (A), the Secretary  
22 shall notify the borrower of the process under  
23 subparagraph (C) with respect to such loan.

24 “(C) SECRETARY'S SELECTION OF PLAN.—  
25 With respect to each borrower who has made

1 the 9th payment required for the loan rehabili-  
2 tation described in subparagraph (A), the Sec-  
3 retary shall, as soon as practicable after such  
4 payment—

5 “(i) in a case in which any of the bor-  
6 rower’s covered loans, without regard to  
7 whether the loan has been so rehabilitated,  
8 is eligible for an income-driven repayment  
9 plan—

10 “(I)(aa) provide the borrower  
11 with the income-driven repayment  
12 plan that requires the lowest monthly  
13 payment amount for each covered loan  
14 of the borrower, compared to any  
15 other such plan for which the bor-  
16 rower is eligible; or

17 “(bb) if more than one income-  
18 driven repayment plan would offer the  
19 borrower the same lowest monthly  
20 payment amount, provide the bor-  
21 rower with the income-driven repay-  
22 ment plan that has the most favorable  
23 terms for the borrower; and

24 “(II) if the plan selected under  
25 subclause (I) is not the income-driven

1                    repayment plan that would have the  
2                    lowest monthly payment amount if the  
3                    borrower were eligible for such plan  
4                    for the borrower’s covered loans and  
5                    noncovered loans, notify the borrower  
6                    of the actions, if any, the borrower  
7                    may take to become eligible for such  
8                    income-driven repayment plan; and  
9                    “(ii) in a case in which none of the  
10                  borrower’s covered loans are eligible for an  
11                  income-driven repayment plan, notify the  
12                  borrower of the actions, if any, the bor-  
13                  rower may take for such a loan to become  
14                  eligible for such a plan.”.

15                  (2) DEFINITIONS.—Section 455(d) of the High-  
16                  er Education Act of 1965 (20 U.S.C. 1087e(d)), as  
17                  amended by paragraph (1), is further amended by  
18                  adding at the end the following:

19                  “(8) DEFINITIONS.—In this subsection:

20                  “(A) COVERED LOAN.—The term ‘covered  
21                  loan’ means—

22                  “(i) a loan made under this part;

23                  “(ii) a loan purchased under section  
24                  459A; or

1                   “(iii) a loan that has been assigned to  
2                   the Secretary under section 428(c)(8).

3                   “(B)       INCOME-DRIVEN       REPAYMENT  
4                   PLAN.—The term ‘income-driven repayment  
5                   plan’ means a plan described in subparagraph  
6                   (D) or (E) of paragraph (1).

7                   “(C)   NONCOVERED   LOAN.—The term  
8                   ‘noncovered loan’ means a loan made, insured,  
9                   or guaranteed under this title that is not a cov-  
10                  ered loan.”.

11                  (3) AUTOMATIC RECERTIFICATION.—

12                  (A) BORROWER FOR WHOM ADJUSTED  
13                  GROSS INCOME IS UNAVAILABLE.—Section  
14                  455(e)(8)(A) of the Higher Education Act of  
15                  1965 (20 U.S.C. 1087e(e)(8)(A)) is amended—

16                       (i) by striking “and” at the end of  
17                       clause (ii);

18                       (ii) by redesignating clause (iii) as  
19                       clause (iv);

20                       (iii) in clause (iv) (as so redesign-  
21                       ated), by striking the period at the end  
22                       and inserting “; and”; and

23                       (iv) by inserting after clause (ii), the  
24                       following:

1           “(iii) in the case of a borrower who  
2           has selected to repay a covered loan (as de-  
3           fined in subsection (d)(8)) pursuant to an  
4           income contingent repayment plan that de-  
5           fines discretionary income in such a man-  
6           ner that the borrower would have a cal-  
7           culated monthly payment equal to \$0, not  
8           require the borrower to provide the Sec-  
9           retary the information described in clause  
10          (i) or (ii), and ensure that the borrower  
11          will have a calculated monthly payment of  
12          \$0; and”.

13           (B) INCLUSION OF COVERED LOANS.—Sec-  
14          tion 455(e)(8)(B) of the Higher Education Act  
15          of 1965 (20 U.S.C. 1087e(e)(8)(B)) is amended  
16          by striking “a loan made under this part” and  
17          inserting “a covered loan (as defined in sub-  
18          section (d)(8))”.

19           (4) CHANGING PLANS.—Section 493C(b)(8) of  
20          the Higher Education Act of 1965 (20 U.S.C.  
21          1098e(b)(8)) 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 (5) PROCEDURE AND REQUIREMENT FOR RE-  
6 QUESTING TAX RETURN INFORMATION FROM THE  
7 IRS.—Section 494(a) of the Higher Education Act of  
8 1965 (20 U.S.C. 1098h(a)) is amended—

9 (A) in paragraph (2)—

10 (i) in subparagraph (A), in the matter  
11 preceding clause (i), by striking “a loan  
12 under part D” and inserting “a covered  
13 loan (as defined in section 455(d)(8))”;  
14 and

15 (ii) in subparagraph (B), by striking  
16 “a loan under part D” and inserting “a  
17 covered loan (as defined in section  
18 455(d)(8))”; and

19 (B) by adding at the end the following:

20 “(4) LOAN DELINQUENCY AND REHABILITA-  
21 TION.—

22 “(A) BORROWERS DELINQUENT ON  
23 LOANS.—In the case of an individual who is a  
24 borrower of a covered loan and who is at least  
25 31 days delinquent on such loan, the Secretary,



1 with respect to such individual and any spouse  
2 of such individual, shall—

3 “(i) provide to such individuals the  
4 notification described in paragraph  
5 (1)(A)(i); and

6 “(ii) require, as a condition of eligi-  
7 bility for the notification and automatic en-  
8 rollment procedures for borrowers who are  
9 delinquent on loans under section  
10 455(d)(6), that such individuals—

11 “(I) affirmatively approve the  
12 disclosure described in paragraph  
13 (1)(A)(i) and agree that such approval  
14 shall serve as an ongoing approval of  
15 such disclosure until the date on  
16 which the individual elects to opt out  
17 of such disclosure under section  
18 455(d)(6)(A)(ii); or

19 “(II) provide such information as  
20 the Secretary may require to carry  
21 out the procedures under section  
22 455(d)(6) with respect to such indi-  
23 vidual.

24 “(B) LOAN REHABILITATION.—In the case  
25 of any written or electronic application by an

1 individual for the rehabilitation of a covered  
2 loan pursuant to section 428F(a), the Sec-  
3 retary, with respect to such individual and any  
4 spouse of such individual, shall—

5 “(i) provide to such individuals the  
6 notification described in paragraph  
7 (1)(A)(i); and

8 “(ii) require, as a condition of eligi-  
9 bility for loan rehabilitation pursuant to  
10 section 428F(a), that such individuals—

11 “(I) affirmatively approve the  
12 disclosure described in paragraph  
13 (1)(A)(i) and agree that such approval  
14 shall serve as an ongoing approval of  
15 such disclosure until the date on  
16 which the individual elects to opt out  
17 of such disclosure under section  
18 455(d)(7)(A)(ii); or

19 “(II) provide such information as  
20 the Secretary may require to carry  
21 out the procedures under section  
22 455(d)(7) with respect to such indi-  
23 vidual.

1           “(C) COVERED LOAN DEFINED.—In this  
2           paragraph, the term ‘covered loan’ has the  
3           meaning given the term in section 455(d)(8).”.

4           (b) SECURE DISCLOSURE OF TAX-RETURN INFOR-  
5           MATION.—

6           (1) IN GENERAL.—Section 6103(l)(13) of the  
7           Internal Revenue Code of 1986 is amended by redesi-  
8           gnating subparagraphs (D), (E), and (F) as para-  
9           graphs (E), (F), and (G), respectively, and by in-  
10          serting after subparagraph (C) the following new  
11          subparagraph:

12                   “(D) NOTIFICATION AND AUTOMATIC EN-  
13                   ROLLMENT FOR CERTAIN BORROWERS.—The  
14                   Secretary shall, upon written request from the  
15                   Secretary of Education, disclose to any author-  
16                   ized person, only for the purpose of (and to the  
17                   extent necessary in) carrying out paragraphs  
18                   (6) and (7) of section 455(d) of the Higher  
19                   Education Act of 1965, return information de-  
20                   scribed in clauses (i) through (vi) of subpara-  
21                   graph (A) from returns of an individual cer-  
22                   tified by the Secretary of Education as having  
23                   provided approval under section 494(a)(4) of  
24                   such Act (as in effect on the date of enactment  
25                   of this paragraph) for such disclosure.”.

1 (2) CONFORMING AMENDMENTS.—

2 (A) Section 6103(l)(13)(A) of the Internal  
3 Revenue Code of 1986 is amended by striking  
4 “loans under part D of such title” and inserting  
5 “covered loans (as defined in section 455(d)(8)  
6 of such Act)”.

7 (B) Section 6103(l)(13)(E)(i) of the Inter-  
8 nal Revenue Code of 1986 (as redesignated by  
9 paragraph (1)) is amended by striking “and  
10 (C)” and inserting “(C), and (D)”.

11 (C) Subparagraphs (F) and (G) of section  
12 6103(l)(13) of the Internal Revenue Code of  
13 1986 (as redesignated by paragraph (1)) are  
14 each amended by striking “or (C)” and insert-  
15 ing “(C), or (D)”.

16 (c) EFFECTIVE DATE; APPLICATION.—

17 (1) AUTOMATIC ENROLLMENT.—The amend-  
18 ments made by paragraphs (1), (2), (3), and (5) of  
19 subsection (a) shall—

20 (A) apply to all borrowers of covered loans  
21 (as defined in section 455(d)(8) of the Higher  
22 Education Act of 1965, as added by subsection  
23 (a)); and

24 (B) take effect on July 1, 2026, and shall  
25 apply with respect to award year 2026–2027

1           and each subsequent award year, as determined  
2           under the Higher Education Act of 1965.

3           (2) CHANGING PLANS.—The amendment made  
4           by subsection (a)(4) shall take effect on the date of  
5           enactment of this Act.

6           (3) DISCLOSURE.—The amendments made by  
7           subsection (b) shall apply to disclosures after the  
8           date of enactment of this Act.

○