

115TH CONGRESS  
1ST SESSION

# S. 1619

To amend the Servicemembers Civil Relief Act to extend the interest rate limitation on debt entered into during military service to debt incurred during military service to consolidate or refinance student loans incurred before military service.

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IN THE SENATE OF THE UNITED STATES

JULY 24, 2017

Mr. DURBIN (for himself and Ms. DUCKWORTH) introduced the following bill;  
which was read twice and referred to the Committee on Veterans' Affairs

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## A BILL

To amend the Servicemembers Civil Relief Act to extend the interest rate limitation on debt entered into during military service to debt incurred during military service to consolidate or refinance student loans incurred before military service.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. INTEREST RATE LIMITATION ON DEBT EN-**  
2 **TERED INTO DURING MILITARY SERVICE TO**  
3 **CONSOLIDATE OR REFINANCE STUDENT**  
4 **LOANS INCURRED BEFORE MILITARY SERV-**  
5 **ICE.**

6 (a) IN GENERAL.—Subsection (a) of section 207 of  
7 the Servicemembers Civil Relief Act (50 U.S.C. App. 527)  
8 is amended—

9 (1) in paragraph (1), by inserting “ON DEBT  
10 INCURRED BEFORE SERVICE” after “LIMITATION TO  
11 6 PERCENT”;

12 (2) by redesignating paragraphs (2) and (3) as  
13 paragraphs (3) and (4), respectively;

14 (3) by inserting after paragraph (1) the fol-  
15 lowing new paragraph (2):

16 “(2) LIMITATION TO 6 PERCENT ON DEBT IN-  
17 CURRED DURING SERVICE TO CONSOLIDATE OR RE-  
18 FINANCE STUDENT LOANS INCURRED BEFORE SERV-  
19 ICE.—An obligation or liability bearing interest at a  
20 rate in excess of 6 percent per year that is incurred  
21 by a servicemember, or the servicemember and the  
22 servicemember’s spouse jointly, during military serv-  
23 ice to consolidate or refinance one or more student  
24 loans incurred by the servicemember before such  
25 military service shall not bear an interest at a rate

1 in excess of 6 percent during the period of military  
2 service.”;

3 (4) in paragraph (3), as redesignated by para-  
4 graph (2) of this subsection, by inserting “or (2)”  
5 after “paragraph (1)”; and

6 (5) in paragraph (4), as so redesignated, by  
7 striking “paragraph (2)” and inserting “paragraph  
8 (3)”.

9 (b) IMPLEMENTATION OF LIMITATION.—Subsection  
10 (b) of such section is amended—

11 (1) in paragraph (1), by striking “the interest  
12 rate limitation in subsection (a)” and inserting “an  
13 interest rate limitation in paragraph (1) or (2) of  
14 subsection (a)”; and

15 (2) in paragraph (2)—

16 (A) in the paragraph heading, by striking  
17 “EFFECTIVE AS OF DATE OF ORDER TO ACTIVE  
18 DUTY” and inserting “EFFECTIVE DATE”; and

19 (B) by inserting before the period at the  
20 end the following: “in the case of an obligation  
21 or liability covered by subsection (a)(1), or as of  
22 the date the servicemember (or servicemember  
23 and spouse jointly) incurs the obligation or li-  
24 ability concerned under subsection (a)(2)”.

1           (c) STUDENT LOAN DEFINED.—Subsection (d) of  
2 such section is amended by adding at the end the following  
3 new paragraph:

4                   “(3) STUDENT LOAN.—The term ‘student loan’  
5 means the following:

6                           “(A) A Federal student loan made, in-  
7 sured, or guaranteed under title IV of the  
8 Higher Education Act of 1965 (20 U.S.C. 1070  
9 et seq.).

10                           “(B) A private student loan as that term  
11 is defined section 140(a) of the Truth in Lend-  
12 ing Act (15 U.S.C. 1650(a)).”.

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