

118TH CONGRESS
1ST SESSION

S. 1971

To amend the Higher Education Act of 1965 to provide for loan repayment simplification and income-driven repayment reform.

IN THE SENATE OF THE UNITED STATES

JUNE 14, 2023

Mr. CORNYN (for himself and Mr. CASSIDY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Higher Education Act of 1965 to provide for loan repayment simplification and income-driven repayment reform.

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 Account-
5 ability and Value in Education for Students Act”.

6 **SEC. 2. LOAN REPAYMENT SIMPLIFICATION AND INCOME-**
7 **DRIVEN REPAYMENT REFORM.**

8 Section 455 of the Higher Education Act of 1965 (20
9 U.S.C. 1087e) is amended—

1 (1) in subsection (d)—

2 (A) in paragraph (1)—

3 (i) in subparagraph (B), by inserting
4 “not later than June 30, 2024,” before “a
5 graduated”;

6 (ii) in subparagraph (C), by inserting
7 “not later than June 30, 2024,” before
8 “an extended”;

9 (iii) in subparagraph (D)—

10 (I) by inserting “not later than
11 June 30, 2024,” before “an income
12 contingent”; and

13 (II) by striking “and” after the
14 semicolon;

15 (iv) in subparagraph (E)—

16 (I) by inserting “and not later
17 than June 30, 2024,” after “begin-
18 ning on July 1, 2009”; and

19 (II) by striking the period at the
20 end and inserting “; and”; and

21 (v) by adding at the end the following:

22 “(F) beginning on July 1, 2024, an income
23 contingent repayment plan known as the ‘Re-
24 vised Pay As You Earn Repayment plan’, con-
25 sistent with subsection (e)(9).”;

1 (B) in paragraph (2), by striking “in sub-
2 paragraph (A), (B), or (C) of paragraph (1)”
3 and inserting “in subparagraph (A) or (F) of
4 paragraph (1)”; and

5 (C) in paragraph (4), by inserting “not
6 later than June 30, 2024 and” after “The Sec-
7 retary may provide,”; and

8 (2) in subsection (e), by adding at the end the
9 following:

10 “(9) REVISED PAY AS YOU EARN REPAYMENT
11 PLAN.—

12 “(A) IN GENERAL.—The Secretary shall
13 carry out a Revised Pay As You Earn Repay-
14 ment plan in accordance with section
15 685.209(c) of title 34, Code of Federal Regula-
16 tions, as in effect on December 17, 2015, ex-
17 cept as otherwise provided in this paragraph as
18 follows:

19 “(i) A borrower may complete loan re-
20 habilitation on a defaulted loan through
21 making eligible payments in accordance
22 with this paragraph for 9 consecutive
23 months.

1 “(ii) A borrower who no longer wishes
2 to repay under the REPAYE plan may
3 change only to a standard repayment plan.

4 “(iii) In addition to that provided
5 under paragraph (5)(iv) of such section
6 685.209(e), a qualifying monthly payment
7 may also include a month for which the
8 borrower received—

9 “(I) deferment under subsection
10 (f)(3) due to receiving treatment for
11 cancer;

12 “(II) deferment under subsection
13 (f)(2) for rehabilitation training;

14 “(III) deferment under sub-
15 section (f)(2) for unemployment;

16 “(IV) deferment under subsection
17 (f)(2) for economic hardship, includ-
18 ing any period of deferment for Peace
19 Corps service;

20 “(V) deferment under subsection
21 (f)(2) for military service;

22 “(VI) deferment under subsection
23 (f)(2) for post-active duty service;

1 “(VII) forbearance under section
2 428(c)(3)(A)(i)(III), for national serv-
3 ice;

4 “(VIII) forbearance under section
5 685.205(a)(7) of title 34, Code of
6 Federal Regulations, for National
7 Guard Duty;

8 “(IX) forbearance under section
9 428(c)(3)(A)(i)(IV), for service for
10 which the borrower would qualify for
11 a partial repayment of his or her loan
12 under the Student Loan Repayment
13 Programs administered by the De-
14 partment of Defense; or

15 “(X) administrative forbearance
16 under paragraph (8) or (9) of section
17 685.205(b) of title 34, Code of Fed-
18 eral Regulations.

19 “(iv) A borrower shall be automati-
20 cally enrolled in a Revised Pay As You
21 Earn Repayment plan for a loan at 75
22 days delinquent on such loan.

23 “(v) A borrower who missed quali-
24 fying payments during a forbearance or
25 deferment period not listed in clause (iii),

1 shall have the opportunity to provide a
2 back payment for the missed payments in
3 order have those payments counted toward
4 the 20-year or 25-year forgiveness period,
5 except there shall be no opportunity to pro-
6 vide a back payment for periods of in-
7 school deferment.

8 “(vi) For a borrower who is solely an
9 undergraduate borrower—

10 “(I) who has borrowed \$10,000
11 or less in total in loans under this
12 part, not including loan fees, the Sec-
13 retary may determine that the bor-
14 rower has met the loan forgiveness re-
15 quirements after 120 payments under
16 the Revised Pay As You Earn Repay-
17 ment plan;

18 “(II) who has borrowed more
19 than \$10,000 but \$11,000 or less in
20 total in loans under this part, not in-
21 cluding loan fees, the Secretary may
22 determine that the borrower has met
23 the loan forgiveness requirements
24 after 132 payments under the Revised
25 Pay As You Earn Repayment plan;

1 “(III) who has borrowed more
2 than \$11,000 but \$12,000 or less in
3 total in loans under this part, not in-
4 cluding loan fees, the Secretary may
5 determine that the borrower has met
6 the loan forgiveness requirements
7 after 144 payments under the Revised
8 Pay As You Earn Repayment plan;

9 “(IV) who has borrowed more
10 than \$12,000 but \$13,000 or less in
11 total in loans under this part, not in-
12 cluding loan fees, the Secretary may
13 determine that the borrower has met
14 the loan forgiveness requirements
15 after 156 payments under the Revised
16 Pay As You Earn Repayment plan;

17 “(V) who has borrowed more
18 than \$13,000 but \$14,000 or less in
19 total in loans under this part, not in-
20 cluding loan fees, the Secretary may
21 determine that the borrower has met
22 the loan forgiveness requirements
23 after 168 payments under the Revised
24 Pay As You Earn Repayment plan;

1 “(VI) who has borrowed more
2 than \$14,000 but \$15,000 or less in
3 total in loans under this part, not in-
4 cluding loan fees, the Secretary may
5 determine that the borrower has met
6 the loan forgiveness requirements
7 after 180 payments under the Revised
8 Pay As You Earn Repayment plan;

9 “(VII) who has borrowed more
10 than \$15,000 but \$16,000 or less in
11 total in loans under this part, not in-
12 cluding loan fees, the Secretary may
13 determine that the borrower has met
14 the loan forgiveness requirements
15 after 192 payments under the Revised
16 Pay As You Earn Repayment plan;

17 “(VIII) who has borrowed more
18 than \$16,000 but \$17,000 or less in
19 total in loans under this part, not in-
20 cluding loan fees, the Secretary may
21 determine that the borrower has met
22 the loan forgiveness requirements
23 after 204 payments under the Revised
24 Pay As You Earn Repayment plan;

1 “(IX) who has borrowed more
2 than \$17,000 but \$18,000 or less in
3 total in loans under this part, not in-
4 cluding loan fees, the Secretary may
5 determine that the borrower has met
6 the loan forgiveness requirements
7 after 216 payments under the Revised
8 Pay As You Earn Repayment plan;
9 and

10 “(X) who has borrowed more
11 than \$18,000 but \$19,000 or less in
12 total in loans under this part, not in-
13 cluding loan fees, the Secretary may
14 determine that the borrower has met
15 the loan forgiveness requirements
16 after 228 payments under the Revised
17 Pay As You Earn Repayment plan.

18 “(B) TRANSFER OF BORROWERS IN RE-
19 PAYMENT.—Notwithstanding any other provi-
20 sion of this Act, on July 1, 2024, the Secretary
21 shall transfer each borrower who is in repay-
22 ment on a loan made under this part under an
23 income contingent repayment plan pursuant to
24 subsection (d)(1)(D) to the Revised Pay As You
25 Earn Repayment plan under this paragraph.”.

1 **SEC. 3. TAXPAYER AND CONSUMER PROTECTION ON STU-**
2 **DENT LOANS.**

3 Section 487(a) of the Higher Education Act of 1965
4 (20 U.S.C. 1094(a)) is amended by adding at the end the
5 following:

6 “(30)(A) The institution certifies that no funds
7 available under this title may be used by an under-
8 graduate student for enrollment in an educational
9 program offered by the institution that is described
10 in subparagraph (B).

11 “(B) An educational program at an institution
12 is described in this subparagraph if the program is
13 a program—

14 “(i) in the case of a program that awards
15 an associate’s degree or a lesser degree or cre-
16 dential, in which the median earnings of stu-
17 dents 6 years after the date of entry into the
18 program who are no longer enrolled in the pro-
19 gram and are working is, for not less than 2 of
20 the 3 years preceding the date of the deter-
21 mination, less than the median earnings of a
22 working adult who is aged 25 to 34 with only
23 a high school diploma or its recognized equiva-
24 lent, as determined under subparagraph (C)
25 and in accordance with subparagraph (D); or

1 “(ii) in the case of a program that awards
2 a bachelor’s degree, in which the median earn-
3 ings of students 10 years after the date of entry
4 into the program who are no longer enrolled in
5 the program and are working is, for not less
6 than 2 of the 3 years preceding the date of the
7 determination, less than the median earnings of
8 a working adult who is aged 25 to 34 with only
9 a high school diploma or its recognized equiva-
10 lent, as determined under subparagraph (C)
11 and in accordance with subparagraph (D).

12 “(C) The median earnings of a working adult
13 who is aged 25 to 34 with only a high school di-
14 ploma or its recognized equivalent shall be based on
15 data from the Census Bureau—

16 “(i) for the State in which the institution
17 is located; or

18 “(ii) if fewer than 50 percent of the stu-
19 dents enrolled in the institution reside in the
20 State where the institution is located, for the
21 entire United States.

22 “(D) For any year for which the programmatic
23 cohort is fewer than 30 individuals, the Secretary
24 shall—

1 “(i) first, aggregate additional years of
2 programmatic data in order to achieve a cohort
3 of at least 30 individuals;

4 “(ii) second, aggregate additional cohort
5 years of programmatic data for degrees or cer-
6 tificates of equivalent length in order to achieve
7 a cohort of at least 30 individuals; and

8 “(iii) if such data cannot be aggregated,
9 use an institution-based undergraduate-level
10 measure, in lieu of a programmatic measure.

11 “(E) An educational program shall not lose eli-
12 gibility under subparagraph (A) unless the institu-
13 tion has had the opportunity to appeal the pro-
14 grammatic median earnings of students working and
15 not enrolled determination. During such appeal, the
16 Secretary may permit the educational program to
17 continue to participate in a program under this title.
18 If an educational program continues to participate
19 in a program under title, and the institution’s appeal
20 of the loss of eligibility is unsuccessful, the institu-
21 tion shall pay to the Secretary an amount equal to
22 the amount of interest, and any related payments
23 made by the Secretary (or which the Secretary is ob-
24 ligated to make) with respect to loans made under
25 this title to students attending, or planning to at-

1 tend, that educational program during the pendency
2 of such appeal.

3 “(31)(A) The institution certifies that no funds
4 available under this title may be used by a graduate
5 student for enrollment in an educational program of-
6 ferred by the institution that is described in subpara-
7 graph (B).

8 “(B) An educational program at an institution
9 is described in this subparagraph if the program is
10 a program—

11 “(i) in the case of a program that awards
12 a master’s degree or a lesser degree or creden-
13 tial, in which the median earnings of students
14 6 years after the date of entry into the program
15 who are no longer enrolled in the program and
16 are working is, for not less than 2 of the 3
17 years preceding the date of the determination,
18 less than the median earnings of a working
19 adult who is aged 25 to 34 with only a bach-
20 elor’s degree, as determined under subpara-
21 graph (C) and in accordance with subparagraph
22 (D); or

23 “(ii) in the case of program that awards a
24 professional degree or doctoral degree, in which
25 the median earnings of students 10 years after

1 the date of entry into the program who are no
2 longer enrolled in the program and are working
3 is, for not less than 2 of the 3 years preceding
4 the date of the determination, less than the me-
5 dian earnings of a working adult who is aged
6 25 to 34 with only a bachelor's degree, as de-
7 termined under subparagraph (C) and in ac-
8 cordance with subparagraph (D).

9 “(C) The median earnings of a working adult
10 who is aged 25 to 34 with only a bachelor's degree
11 shall be based on data from the Census Bureau—

12 “(i) for the State in which the institution
13 is located; or

14 “(ii) if fewer than 50 percent of the stu-
15 dents enrolled in the institution reside in the
16 State where the institution is located, for the
17 entire United States.

18 “(D) For any year for which the programmatic
19 cohort is fewer than 30 individuals, the Secretary
20 shall—

21 “(i) first, aggregate additional years of
22 programmatic data in order to achieve a cohort
23 of at least 30 individuals;

24 “(ii) second, aggregate additional cohort
25 years of programmatic data for degrees or cer-

1 tificates of equivalent length in order to achieve
2 a cohort of at least 30 individuals; and

3 “(iii) if such data cannot be aggregated,
4 use an institution-based graduate-level measure,
5 in lieu of a programmatic measure.

6 “(E) An educational program shall not lose eli-
7 gibility under subparagraph (A) unless the institu-
8 tion has had the opportunity to appeal the pro-
9 grammatic median earnings of students working and
10 not enrolled determination. During such appeal, the
11 Secretary may permit the educational program to
12 continue to participate in a program under this title.
13 If an educational program continues to participate
14 in a program under title, and the institution’s appeal
15 of the loss of eligibility is unsuccessful, the institu-
16 tion shall pay to the Secretary an amount equal to
17 the amount of interest, and any related payments
18 made by the Secretary (or which the Secretary is ob-
19 ligated to make) with respect to loans made under
20 this title to students attending, or planning to at-
21 tend, that educational program during the pendency
22 of such appeal.”.

23 **SEC. 4. PHASE OUT OF INCOME-BASED REPAYMENT.**

24 Section 493C of the Higher Education Act of 1965
25 (20 U.S.C. 1098e) is amended—

1 (1) in subsection (b)(1), by inserting “who en-
2 ters repayment on such loan before July 1, 2024
3 and” after “a borrower of any loan made, insured,
4 or guaranteed under part B or D (other than an ex-
5 cepted PLUS loan or excepted consolidation loan)”;
6 and

7 (2) in subsection (e)—

8 (A) in the subsection heading by inserting
9 “AND BEFORE JULY 1, 2024” after “JULY 1,
10 2014”; and

11 (B) by inserting “, and before July 1,
12 2024” after “July 1, 2014”.

○