

118TH CONGRESS
2D SESSION

S. 5108

To amend the Higher Education Act of 1965 to provide relief for borrowers of Federal Direct PLUS loans made on behalf of students.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 2024

Mr. VAN HOLLEN (for himself, Mr. PADILLA, Mr. KAINE, Mr. WELCH, Ms. SMITH, Ms. WARREN, Mr. BOOKER, and Mr. SANDERS) 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 relief for borrowers of Federal Direct PLUS loans made on behalf of students.

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 “Parent Plus Parity
5 Act”.

6 **SEC. 2. RELIEF FOR BORROWERS OF FEDERAL DIRECT**
7 **PLUS LOANS MADE ON BEHALF OF STU-**
8 **DENTS.**

9 (a) EXPANSION OF REPAYMENT PLAN OPTIONS.—

1 (1) IN GENERAL.—The Higher Education Act
2 of 1965 (20 U.S.C. 1001 et seq.) is amended—

3 (A) in section 428(b)(9)(A)—

4 (i) in clause (iv), by striking “and”
5 after the semicolon;

6 (ii) in clause (v), by striking “, except
7 that the plan described in this clause shall
8 not be available to a borrower for a loan
9 under section 428B made on behalf of a
10 dependent student or for a consolidation
11 loan under section 428C, if the proceeds of
12 such loan were used to discharge the liabil-
13 ity of a loan under section 428B made on
14 behalf of a dependent student.” and insert-
15 ing “; and”; and

16 (iii) by adding at the end the fol-
17 lowing:

18 “(vi) beginning July 1, 2024, an in-
19 come contingent repayment plan (as de-
20 scribed in section 455(d)(1)(D), which plan
21 shall include a Pay as You Earn Repay-
22 ment plan and a Saving on a Valuable
23 Education plan as described in section
24 685.209 of title 34, Code of Federal Regu-
25 lations (or any similar successor regula-

1 tion), except such plans shall be available
2 to the borrower of any loan made, insured,
3 or guaranteed under this part).”;

4 (B) in section 428C(c)—

5 (i) in paragraph (2)(A)—

6 (I) in the first sentence by strik-
7 ing “, or income-based repayment
8 schedules” and inserting “, income-
9 based, or, beginning July 1, 2024, in-
10 come contingent (as described in sec-
11 tion 455(d)(1)(D)), repayment sched-
12 ules”; and

13 (II) in the second sentence, by
14 striking “or income-based” and insert-
15 ing “, income-based, or income contin-
16 gent”; and

17 (ii) in paragraph (3)—

18 (I) in subparagraph (A)—

19 (aa) by inserting “, or, be-
20 ginning July 1, 2024, an income
21 contingent (as described in sec-
22 tion 455(d)(1)(D)) repayment
23 schedule” after “an income-based
24 repayment schedule under section
25 493C”; and

1 (bb) by inserting “and”
2 after the semicolon;

3 (II) in subparagraph (B), by
4 striking “; and” and inserting a pe-
5 riod; and

6 (III) by striking subparagraph
7 (C);

8 (C) in section 455(d)(1)—

9 (i) in subparagraph (D), by striking
10 “, except that the plan described in this
11 subparagraph shall not be available to the
12 borrower of a Federal Direct PLUS loan
13 made on behalf of a dependent student”
14 and inserting “, which plan shall include,
15 beginning July 1, 2024, a Pay as You
16 Earn Repayment plan and a Saving on a
17 Valuable Education plan as described in
18 section 685.209 of title 34, Code of Fed-
19 eral Regulations (or any similar successor
20 regulation), except that such plans shall be
21 available to the borrower of any loan made
22 under this part”; and

23 (ii) in subparagraph (E), by striking
24 “, except that the plan described in this
25 subparagraph shall not be available to the

1 borrower of a Federal Direct PLUS Loan
2 made on behalf of a dependent student or
3 a Federal Direct Consolidation Loan, if the
4 proceeds of such loan were used to dis-
5 charge the liability on such Federal Direct
6 PLUS Loan or a loan under section 428B
7 made on behalf of a dependent student”;
8 and
9 (D) in section 493C—

10 (i) by striking subsection (a) and in-
11 sserting the following:

12 “(a) DEFINITION OF PARTIAL FINANCIAL HARD-
13 SHIP.—In this section, the term ‘partial financial hard-
14 ship’, when used with respect to a borrower, means that
15 for such borrower—

16 “(1) the annual amount due on the total
17 amount of loans made, insured, or guaranteed under
18 part B or D to a borrower as calculated under the
19 standard repayment plan under section
20 428(b)(9)(A)(i) or 455(d)(1)(A), based on a 10-year
21 repayment period; exceeds

22 “(2) 15 percent of the result obtained by calcu-
23 lating, on at least an annual basis, the amount by
24 which—

1 “(A) the borrower’s, and the borrower’s
2 spouse’s (if applicable), adjusted gross income;
3 exceeds

4 “(B) 150 percent of the poverty line appli-
5 cable to the borrower’s family size as deter-
6 mined under section 673(2) of the Community
7 Services Block Grant Act (42 U.S.C.
8 9902(2)).”;

9 (ii) in subsection (b)—

10 (I) in paragraph (1), by striking
11 “(other than an excepted PLUS loan
12 or excepted consolidation loan)”;

13 (II) in paragraph (6)(A), by
14 striking “(other than an excepted
15 PLUS loan or excepted consolidation
16 loan)”;

17 (III) in paragraph (7), by strik-
18 ing “(other than a loan under section
19 428B or a Federal Direct PLUS
20 Loan)”;

21 (iii) in subsection (c)—

22 (I) in paragraph (1), by striking
23 “(other than an excepted PLUS loan
24 or excepted consolidation loan)”;

1 (II) in paragraph (2)(B), by
2 striking “(other than an excepted
3 PLUS loan or excepted consolidation
4 loan)”; and

5 (iv) in subsection (e), by striking
6 “2014—” and all that follows through the
7 period at the end and inserting “2014,
8 subsection (a)(3)(B) shall be applied by
9 substituting ‘10 percent’ for ‘15 percent’.”.

10 (2) RULE OF CONSTRUCTION.—Nothing in the
11 amendments made under paragraph (1) shall be con-
12 strued to authorize any refunding of any repayment
13 of a loan.

14 (b) DISCHARGE FOR TOTAL AND PERMANENT DIS-
15 ABILITY.—

16 (1) IN GENERAL.—

17 (A) PART B.—Section 437(a) of the High-
18 er Education Act of 1965 (20 U.S.C. 1087(a))
19 is amended by adding at the end the following:

20 “(4) DISCHARGE OF PARENT PLUS LOANS FOR
21 TOTAL AND PERMANENT DISABILITY OF STU-
22 DENT.—Notwithstanding any other provision of this
23 Act, the Secretary shall discharge the liability on a
24 loan made under section 428B on behalf of a stu-
25 dent by repaying the amount owed on the loan, if

1 the student becomes permanently and totally dis-
2 abled (as determined in accordance with regulations
3 of the Secretary).”.

4 (B) PART D.—Section 455 of the Higher
5 Education Act of 1965 (20 U.S.C. 1087e) is
6 amended by adding at the end the following:

7 “(q) DISCHARGE OF PARENT PLUS LOANS FOR
8 TOTAL AND PERMANENT DISABILITY OF STUDENT.—
9 Notwithstanding any other provision of this Act, the Sec-
10 retary shall discharge the liability on a Federal Direct
11 PLUS loan made on behalf of a student, if the student
12 becomes permanently and totally disabled (as determined
13 in accordance with regulations of the Secretary).”.

14 (2) RULE OF CONSTRUCTION.—Nothing in the
15 amendments made under paragraph (1) shall be con-
16 strued to authorize any refunding of any repayment
17 of a loan.

18 (c) ELIGIBILITY FOR PUBLIC SERVICE LOAN FOR-
19 GIVENESS FOR PARENT PLUS LOANS.—Section 455(m) of
20 the Higher Education Act of 1965 (20 U.S.C. 1087e(m))
21 is amended by adding at the end the following:

22 “(5) PARENT PLUS LOAN.—The Secretary shall
23 cancel the balance of interest and principal due on
24 a Federal Direct PLUS loan made on behalf of a
25 student after the date of enactment of the Parent

1 Plus Parity Act, if the student is a borrower for
2 whom the Secretary has cancelled the obligation to
3 repay the balance of principal and interest due on an
4 eligible Federal Direct Loan under this subsection.”.

5 (d) AUTOMATIC DISCHARGE.—

6 (1) IN GENERAL.—

7 (A) PART B.—Section 437(c) of the High-
8 er Education Act of 1965 (20 U.S.C. 1087(e))
9 is amended by adding at the end the following:

10 “(6) AUTOMATIC DISCHARGE FOR PARENT
11 PLUS LOANS.—If a student on whose behalf a parent
12 has received a loan described in section 428B is a
13 borrower for whom a loan has been discharged pur-
14 suant to this subsection, then the Secretary shall
15 automatically discharge the parent borrower’s liabil-
16 ity on the loan described in section 428B by repay-
17 ing the amount owed on the loan.”.

18 (B) PART D.—Section 455(h) of the High-
19 er Education Act of 1965 (20 U.S.C. 1087e(h))
20 is amended—

21 (i) by striking “Notwithstanding” and
22 inserting the following:

23 “(1) IN GENERAL.—Notwithstanding”; and

24 (ii) by adding at the end the fol-
25 lowing:

1 “(2) AUTOMATIC DISCHARGE FOR PARENT
2 PLUS LOANS.—If a student on whose behalf a parent
3 has received a Federal Direct PLUS Loan is a bor-
4 rower for whom a loan made under this part has
5 been discharged pursuant to a defense to repayment,
6 then the Secretary shall automatically discharge the
7 parent borrower’s liability on the Federal Direct
8 PLUS Loan.”.

9 (2) RULE OF CONSTRUCTION.—Nothing in the
10 amendments made under paragraph (1) shall be con-
11 strued to authorize any refunding of any repayment
12 of a loan.

13 (e) DISCHARGE FOR HARDSHIP.—

14 (1) PART B.—Section 437 of the Higher Edu-
15 cation Act of 1965 (20 U.S.C. 1087) is amended by
16 adding at the end the following:

17 “(e) DISCHARGE OF PARENT PLUS LOANS FOR
18 HARDSHIP.—

19 “(1) IN GENERAL.—Notwithstanding any other
20 provision of this Act, the Secretary shall discharge
21 the liability on a loan made under section 428B on
22 behalf of a student by repaying the amount owed on
23 the loan, if the Secretary determines that the parent
24 borrower has experienced hardship or may experi-
25 ence future hardship as a result of such a loan.

1 “(2) FACTORS THAT SUBSTANTIATE HARD-
2 SHIP.—The Secretary shall establish factors that
3 demonstrate hardship for the purpose of a discharge
4 under paragraph (1), including any of the following:

5 “(A) Income.

6 “(B) Borrower-loan-debt-to-income ratio.

7 “(C) Potential future earnings.

8 “(D) Age of a borrower.

9 “(E) Age of a loan.

10 “(F) Receipt of public benefits.

11 “(G) Receipt of Social Security.

12 “(H) Borrower disability.

13 “(I) Any other indicators of hardship iden-
14 tified by the Secretary.

15 “(3) APPLICATION.—The Secretary shall create
16 guidelines and an application through which a bor-
17 rower may submit records or other evidence of hard-
18 ship or a statement that attests to present or future
19 hardship.”.

20 (2) PART D.—Section 455 of the Higher Edu-
21 cation Act of 1965 (20 U.S.C. 1087e), as amended
22 by subsection (b), is further amended by adding at
23 the end the following:

24 “(r) DISCHARGE OF PARENT PLUS LOANS FOR
25 HARDSHIP.—

1 “(1) IN GENERAL.—Notwithstanding any other
2 provision of this Act, the Secretary shall discharge
3 the liability on a Federal Direct PLUS loan made on
4 behalf of a student, if the Secretary determines that
5 the parent borrower has experienced hardship or
6 may experience future hardship as a result of such
7 a loan.

8 “(2) FACTORS THAT SUBSTANTIATE HARD-
9 SHIP.—The Secretary shall establish factors that
10 demonstrate hardship for the purpose of a discharge
11 under paragraph (1), including any of the following:

12 “(A) Income.

13 “(B) Borrower-loan-debt-to-income ratio.

14 “(C) Potential future earnings.

15 “(D) Age of a borrower.

16 “(E) Age of a loan.

17 “(F) Receipt of public benefits.

18 “(G) Receipt of Social Security.

19 “(H) Borrower disability.

20 “(I) Any other indicators of hardship iden-
21 tified by the Secretary.

22 “(3) APPLICATION.—The Secretary shall create
23 guidelines and an application through which a bor-
24 rower may submit records or other evidence of hard-

1 ship or a statement that attests to present or future
2 hardship.”.

3 (f) DELEGATION TO THE SECRETARY.—Congress
4 delegates to the Secretary of Education the authority, in
5 issuing regulations to carry out the amendments made by
6 this section, to interpret the provisions of the amendments
7 made by this section, taking into consideration cost and
8 public health. A court engaged in judicial review of those
9 provisions, including judicial review under section 706 of
10 title 5, United States Code, shall determine whether the
11 agency’s interpretation is based on a permissible construc-
12 tion of the amendments made by this section.

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