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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R.

To amend the Higher Education Act of 1965 to halt collection of certain student loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. PRESSLEY introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Higher Education Act of 1965 to halt collection of certain student 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 “Student Debt Emer-
5 gency Relief Act”.

6 **SEC. 2. PAYMENTS FOR STUDENT LOAN BORROWERS AS A**
7 **RESULT OF A NATIONAL EMERGENCY.**

8 (a) PAYMENTS FOR STUDENT LOAN BORROWERS
9 DURING A NATIONAL EMERGENCY.—

1 (1) IN GENERAL.—Part G of title IV of the
2 Higher Education Act of 1965 (20 U.S.C. 1088 et
3 seq.) is amended by inserting after section 493D the
4 following:

5 **“SEC. 493E. PAYMENTS FOR STUDENT LOAN BORROWERS**
6 **DURING A NATIONAL EMERGENCY.**

7 “(a) DEFINITIONS.—In this section:

8 “(1) CORONAVIRUS.—The term ‘coronavirus’
9 has the meaning given the term in section 506 of the
10 Coronavirus Preparedness and Response Supple-
11 mental Appropriations Act, 2020 (Public Law 116–
12 123).

13 “(2) INCOME-DRIVEN REPAYMENT.—The term
14 ‘income-driven repayment’ means—

15 “(A) income-based repayment authorized
16 under section 493C for loans made, insured, or
17 guaranteed under part B or part D; or

18 “(B) income contingent repayment author-
19 ized under section 455(e) for loans made under
20 part D.

21 “(3) INVOLUNTARY COLLECTION.—The term
22 ‘involuntary collection’ means—

23 “(A) a wage garnishment authorized under
24 section 488A of this Act or section 3720D of
25 title 31, United States Code;

1 “(B) a reduction of tax refund by amount
2 of debt authorized under section 3720A of title
3 31, United States Code;

4 “(C) a reduction of any other Federal ben-
5 efit payment by administrative offset authorized
6 under section 3716 of title 31, United States
7 Code (including a benefit payment due to an in-
8 dividual under the Social Security Act or any
9 other provision described in subsection
10 (c)(3)(A)(i) of such section); and

11 “(D) any other involuntary collection activ-
12 ity.

13 “(4) NATIONAL EMERGENCY.—The term ‘na-
14 tional emergency’ means—

15 “(A) a public health emergency related to
16 the coronavirus that is declared by the Sec-
17 retary of Health and Human Services pursuant
18 to section 319 of the Public Health Service Act
19 (42 U.S.C. 247d); or

20 “(B) a national emergency related to the
21 coronavirus declared by the President under the
22 National Emergencies Act (50 U.S.C. 1601 et
23 seq.).

24 “(b) NATIONAL EMERGENCY STUDENT LOAN RE-
25 PAYMENT ASSISTANCE.—

1 “(1) AUTHORITY.—Upon the declaration of a
2 national emergency, the Secretary shall for each bor-
3 rower of a loan made, insured, or guaranteed under
4 part B, D, or E, pay the total amount due for such
5 month on the loan, based on the payment plan se-
6 lected by the borrower or the borrower’s loan status.

7 “(2) NO CAPITALIZATION OF INTEREST.—With
8 respect to any loan during a national emergency pe-
9 riod, interest due on loans made, insured, or guaran-
10 teed under part B, D, or E during such period shall
11 not be capitalized at any time during or after the
12 national emergency.

13 “(3) APPLICABILITY OF PAYMENTS.—Any pay-
14 ment made by the Secretary under this section shall
15 be considered by the Secretary, or by a lender with
16 respect to a loan made, insured, or guaranteed
17 under part B—

18 “(A) as a qualifying payment under the
19 public service loan forgiveness program under
20 section 455(m), if the borrower would otherwise
21 qualify under such section;

22 “(B) in the case of a borrower enrolled in
23 an income-driven repayment plan, as a quali-
24 fying payment for the purpose of calculating eli-
25 gibility for loan forgiveness for the borrower in

1 accordance with section 493C(b)(7) or section
2 455(d)(1)(D), as the case may be; and

3 “(C) in the case of a borrower in default,
4 as an on-time monthly payment for purposes of
5 loan rehabilitation pursuant to section 428F(a).

6 “(4) REPORTING TO CONSUMER REPORTING
7 AGENCIES.—During the period in which the Sec-
8 retary is making payments on a loan under para-
9 graph (1), the Secretary shall ensure that, for the
10 purpose of reporting information about the loan to
11 a consumer reporting agency, any payment made by
12 the Secretary is treated as if it were a regularly
13 scheduled payment made by a borrower.

14 “(5) NOTICE OF PAYMENTS AND PROGRAM.—
15 Not later than 15 days following the date of enact-
16 ment of the Student Debt Emergency Relief Act,
17 and monthly thereafter during the period of a na-
18 tional emergency, the Secretary shall provide a no-
19 tice to all borrowers of loans made, insured, or guar-
20 anteed under part B, D, or E—

21 “(A) informing borrowers of the actions
22 taken under this section;

23 “(B) providing borrowers with an easily
24 accessible method to opt out of the benefits pro-
25 vided under this section; and

1 “(C) notifying the borrower that the pro-
2 gram under this section is a temporary program
3 and will end after the national emergency ends.

4 “(6) SUSPENSION OF INVOLUNTARY COLLEC-
5 TION.—In the event of a national emergency, the
6 Secretary, or other holder of a loan made, insured,
7 or guaranteed under part B, D, or E, shall imme-
8 diately take action to halt all involuntary collection
9 related to the loan.

10 “(7) MANDATORY FORBEARANCE.—During the
11 period in which the Secretary is making payments
12 on a loan under paragraph (1), the Secretary, or a
13 lender or guaranty agency for a loan made under
14 part B, shall grant the borrower forbearance, in the
15 form of a temporary cessation of all payments on
16 the loan other than the payments of interest and
17 principal on the loan that are made under that para-
18 graph. In the case of a borrower who is delinquent
19 but who is not yet in default prior to the time when
20 the Secretary begins making payments under para-
21 graph (1), the Secretary, or a lender or guaranty
22 agency for a loan made under part B, shall grant
23 the borrower forbearance retroactively to address
24 any such delinquency.

1 “(c) WAIVER OF INTEREST DURING NATIONAL
2 EMERGENCY.—Notwithstanding any other provision of
3 law, the Secretary shall pay any interest that would other-
4 wise be charged or accrue during a national emergency
5 on any loan made, insured, or guaranteed under part B,
6 D, or E.

7 “(d) TERMINATION AND TRANSITION PERIOD.—Sec-
8 retary shall make payments on a loan under subsection
9 (b)(1) until the Secretary is authorized by Congress to
10 cease making such payments and to terminate the pro-
11 gram. Upon the termination of the authority of the Sec-
12 retary to make payments on a loan under subsection
13 (b)(1), the Secretary shall carry out a program to provide
14 for a transition period of 90 days, beginning on the day
15 the termination of the authority of the Secretary to make
16 payments on a loan under subsection (b)(1), during
17 which—

18 “(1) the Secretary shall provide not less than 3
19 notices to borrowers indicating when the borrower’s
20 normal payment obligations will resume; and

21 “(2) any missed payments by a borrower under
22 part B, D, or E shall not—

23 “(A) result in fees or penalties; or

1 “(B) be reported to any consumer report-
2 ing agency or otherwise impact the borrower’s
3 credit history.

4 “(e) IMPLEMENTATION IN FFEL ENTITIES.—To fa-
5 cilitate implementation of this section—

6 “(1) lenders and guaranty agencies holding
7 loans made, insured, or guaranteed under part B
8 shall report, to the satisfaction of the Secretary, in-
9 formation to verify at the borrower level the amount
10 of payments made under this section; and

11 “(2) the Secretary shall have the authority to
12 establish a payment schedule for purposes of this
13 section for loans made, insured, or guaranteed under
14 part B and not held by the Secretary.

15 “(f) WAIVERS.—In carrying out this section, the Sec-
16 retary may waive the application of—

17 “(1) subchapter I of chapter 35 of title 44,
18 United States Code;

19 “(2) the master calendar requirements under
20 section 482;

21 “(3) negotiated rulemaking under section 492;
22 and

23 “(4) the requirement to publish the notices re-
24 lated to the system of records of the agency before
25 implementation required under paragraphs (4) and

1 (11) of section 552a(e) of title 5, United States
2 Code (commonly known as the ‘Privacy Act of
3 1974’), except that the notices shall be published not
4 later than 180 days after the date of enactment of
5 the Student Debt Emergency Relief Act.

6 “(g) AUTHORIZATION OF MANDATORY FUNDING FOR
7 IMPLEMENTATION.—

8 “(1) IN GENERAL.—There are authorized to be
9 appropriated, and there are appropriated, from
10 amounts in the Treasury not already appropriated—

11 “(A) \$50,000,000 for fiscal year 2020 for
12 the costs associated with implementation and
13 coordination required of this section; and

14 “(B) such sums as are necessary to pro-
15 vide the payments and interest cancellation pro-
16 vided under this section.

17 “(2) AVAILABILITY.—Amounts made available
18 under paragraph (1) shall—

19 “(A) be in addition to any other amounts
20 available to carry out this section; and

21 “(B) remain available until expended.”.

22 (2) FFEL AMENDMENT.—Section 428(c)(8) of
23 the Higher Education Act of 1965 (20 U.S.C.
24 1078(c)(8)) is amended by striking “and for which”
25 and all that follows through “this subsection”.

1 (b) MINIMUM RELIEF FOR STUDENT LOAN BOR-
2 ROWERS AS A RESULT OF A NATIONAL EMERGENCY.—
3 Part G of title IV the Higher Education Act of 1965 (20
4 U.S.C. 1088 et seq.), as amended by subsection (a), is
5 further amended by inserting after section 493E the fol-
6 lowing:

7 **“SEC. 493F. MINIMUM RELIEF FOR STUDENT LOAN BOR-**
8 **ROWERS AS A RESULT OF A NATIONAL EMER-**
9 **GENCY.**

10 “(a) MINIMUM STUDENT LOAN RELIEF AS A RESULT
11 OF A NATIONAL EMERGENCY.—Not later than 90 days
12 after termination of the authority of the Secretary to make
13 payments on a loan under section 493(E)(b)(1), the Sec-
14 retary shall, for each borrower of a loan made under part
15 B, D, or E, apply to the total outstanding balance due
16 on all such loans of the borrower, an amount equal to the
17 lesser of—

18 “(1) the difference between \$30,000 and the
19 total amount of payments made by the Secretary
20 under section 493E(b) on such loans of the borrower
21 during the period of time when the Secretary was
22 authorized to make payments on a loan under sec-
23 tion 493E(b)(1); or

1 “(2) the total amount of outstanding principal
2 and interest due on such loans of the borrower, as
3 of the date of the calculation under this subsection.

4 “(b) DATA TO IMPLEMENT.—Contractors of the Sec-
5 retary and lenders and guaranty agencies holding loans
6 made, insured, or guaranteed under part B shall report,
7 to the satisfaction of the Secretary, the information nec-
8 essary to calculate the amount to be applied under sub-
9 section (a).”.

10 **SEC. 3. EXCLUSION FROM GROSS INCOME.**

11 (a) IN GENERAL.—Part III of subchapter B of chap-
12 ter 1 of the Internal Revenue Code of 1986 is amended
13 by inserting after section 139H the following new section:

14 **“SEC. 139I. STUDENT LOAN PAYMENTS RESULTING FROM A**
15 **NATIONAL EMERGENCY.**

16 “Gross income shall not include any payment made
17 on behalf of the taxpayer under section 493E(b)(1) or
18 493F of the Higher Education Act of 1965.”.

19 (b) CLERICAL AMENDMENT.—The table of sections
20 for part III of subchapter B of chapter 1 of the Internal
21 Revenue Code of 1986 is amended by inserting after the
22 item relating to section 139H the following new item:

 “Sec. 139I. Student loan payments resulting from a national emergency.”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years beginning after
25 December 31, 2019.