

114TH CONGRESS  
1ST SESSION

# H. R. 3695

To simplify and improve the Federal student loan program through income-contingent repayment to provide stronger protections for borrowers, encourage responsible borrowing, and save money for taxpayers.

---

## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2015

Mr. ZELDIN 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

---

## A BILL

To simplify and improve the Federal student loan program through income-contingent repayment to provide stronger protections for borrowers, encourage responsible borrowing, and save money for taxpayers.

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 “Earnings Contingent  
5 Education Loans Act of 2015” or the “ExCEL Act of  
6 2015”.

1 **SEC. 2. TERMINATION OF AUTHORITY TO MAKE FEDERAL**  
2 **DIRECT STAFFORD LOANS, FEDERAL DIRECT**  
3 **UNSUBSIDIZED STAFFORD LOANS, AND FED-**  
4 **ERAL DIRECT PLUS LOANS TO STUDENTS**  
5 **UNDER THE WILLIAM D. FORD FEDERAL DI-**  
6 **RECT LOAN PROGRAM.**

7 Section 455(a) of the Higher Education Act of 1965  
8 (20 U.S.C. 1087e(a)) is amended by adding at the end  
9 the following:

10 “(4) TERMINATION OF AUTHORITY TO MAKE  
11 FEDERAL DIRECT STAFFORD LOANS, FEDERAL DI-  
12 RECT UNSUBSIDIZED STAFFORD LOANS, AND FED-  
13 ERAL DIRECT PLUS LOANS TO STUDENTS UNDER  
14 THIS PART.—

15 “(A) IN GENERAL.—Notwithstanding any  
16 provision of this part or part B, for any period  
17 of instruction beginning on or after July 1,  
18 2016—

19 “(i) a student shall not be eligible to  
20 receive a Federal Direct Stafford Loan  
21 under this part; and

22 “(ii) a student shall not be eligible to  
23 receive a Federal Direct Unsubsidized  
24 Stafford Loan or Federal Direct PLUS  
25 Loan under this part, except as provided in  
26 subparagraph (B).

1           “(B) EXCEPTIONS.—Subparagraph (A)(ii)  
2 shall not be applicable with respect to the fol-  
3 lowing:

4           “(i) EXISTING STUDENT BOR-  
5 ROWERS.—A student who, as of July 1,  
6 2016, has an outstanding balance of prin-  
7 cipal or interest owing on any loan made,  
8 insured, or guaranteed under part B or  
9 this part may continue to be eligible to  
10 borrow a loan under this part, except for  
11 a Federal Direct Stafford Loan, in accord-  
12 ance with subparagraph (C) until June 30,  
13 2021.

14           “(ii) PARENT PLUS LOANS.—An ex-  
15 cepted PLUS loan or excepted consolida-  
16 tion loan (as such terms are defined in sec-  
17 tion 493C(a)) under this part that is made  
18 to a parent on behalf of an undergraduate  
19 dependent student.

20           “(iii) FEDERAL DIRECT CONSOLIDA-  
21 TION LOANS.—A Federal Direct Consolida-  
22 tion Loan under this part.

23           “(C) MAXIMUM ANNUAL AMOUNTS OF  
24 FEDERAL DIRECT UNSUBSIDIZED STAFFORD  
25 LOANS.—The maximum annual amount of Fed-

1           eral Direct Unsubsidized Stafford Loans a stu-  
 2           dent described in subparagraph (B)(i) may bor-  
 3           row in an academic year (as defined in section  
 4           481(a)(2)) or its equivalent shall be the max-  
 5           imum annual amount for such student deter-  
 6           mined under section 428H, plus an amount  
 7           equal to the amount of Federal Direct Stafford  
 8           Loans the student would have received in the  
 9           absence of subparagraph (A)(i).”.

10 **SEC. 3. ESTABLISHMENT OF THE INCOME DEPENDENT**  
 11                           **EDUCATION ASSISTANCE LOAN PROGRAM**  
 12                           **AND THE IDEA LOAN REPAYMENT PROGRAM.**

13           Title IV of the Higher Education Act of 1965 (20  
 14 U.S.C. 1070a et seq.) is amended by adding at the end  
 15 the following new part:

16           **“PART J—INCOME DEPENDENT EDUCATION**  
 17                           **ASSISTANCE LOANS**  
 18                           **“Subpart 1—IDEA Loans**

19 **“SEC. 499A. PROGRAM AUTHORITY AND AGREEMENTS.**

20           “(a) PROGRAM AUTHORITY.—

21                   “(1) IN GENERAL.—There are hereby made  
 22           available, in accordance with the provisions of this  
 23           part, such sums as may be necessary to make loans  
 24           to all eligible students in attendance at participating  
 25           institutions of higher education selected by the Sec-

1       retary, to enable such students to pursue their  
2       courses of study at such institutions during the pe-  
3       riod beginning July 1, 2016. Loans made under this  
4       part shall be made by participating institutions, or  
5       consortia thereof, that have agreements with the  
6       Secretary to originate loans, or by alternative origi-  
7       nators designated by the Secretary to make loans for  
8       students in attendance at participating institutions.

9               “(2) DESIGNATION.—The program established  
10       under this subpart shall be referred to as the ‘In-  
11       come Dependent Education Assistance Loan Pro-  
12       gram’, or the ‘IDEA Loan Program’.

13       “(b) FUNDS FOR THE ORIGINATION OF IDEA  
14       LOANS.—The Secretary shall provide funds for student  
15       loans under this part in the same manner as the Secretary  
16       provides funds for the origination of Federal Direct Stu-  
17       dent Loans under part D in accordance with section 452.  
18       The requirements, rights, and limitations under section  
19       452 with respect to the Secretary and institutions for  
20       funds provided for loans under part D shall apply with  
21       respect to the Secretary and institutions for funds pro-  
22       vided for loans under this part, except that funds under  
23       this part shall not be provided for parent loans.

1       “(c) SELECTION OF INSTITUTIONS FOR PARTICIPA-  
2 TION AND ORIGINATION, AND AGREEMENTS WITH INSTI-  
3 TUTIONS.—

4               “(1) SELECTION OF INSTITUTIONS FOR PAR-  
5 TICIPATION AND ORIGINATION.—The Secretary shall  
6 enter into agreements with institutions of higher  
7 education to participate in the IDEA Loan Program  
8 under this part and agreements with institutions of  
9 higher education, or consortia thereof, to originate  
10 loans in such program for academic years beginning  
11 on or after July 1, 2016. The provisions of section  
12 453 shall apply with respect to agreements under  
13 this section. The Secretary shall provide alternative  
14 origination services for loans under this part, as ap-  
15 propriate, in a manner consistent with the provisions  
16 of sections 453 and 456 related to alternative origi-  
17 nation services for loans under part D.

18               “(2) PARTICIPATION AND ORIGINATION AGREE-  
19 MENTS WITH INSTITUTIONS.—An agreement with  
20 any institution of higher education for participation  
21 in the IDEA Loan Program under this part, and an  
22 agreement with any institution of higher education,  
23 or consortia thereof, to originate loans in such pro-  
24 gram, shall have the same terms as the terms re-  
25 quired under section 454 for agreements with an in-

1       stitution for participation or origination, respec-  
2       tively, in the student loan program under part D,  
3       except that agreements for participation or origina-  
4       tion under this part shall not apply to parent loans.

5               “(3) WITHDRAWAL AND TERMINATION PROCE-  
6       DURES.—The Secretary shall establish procedures by  
7       which institutions or consortia may withdraw or be  
8       terminated from the program under this part.

9       **“SEC. 499B. TERMS AND CONDITIONS OF IDEA LOANS.**

10       “(a) PARALLEL TERMS, CONDITIONS, BENEFITS,  
11       AND AMOUNTS.—Unless otherwise specified in this part,  
12       Income Dependent Education Assistance Loans (herein-  
13       after referred to as ‘IDEA Loans’) made to borrowers  
14       under this part shall have the same terms, conditions, and  
15       benefits, and be available in the same amounts, as Federal  
16       Direct Unsubsidized Stafford Loans made to borrowers  
17       under part D, and first disbursed on the day before the  
18       date of enactment of the Earnings Contingent Education  
19       Loans Act of 2015.

20       “(b) ELIGIBLE BORROWERS.—

21               “(1) IN GENERAL.—In addition to the require-  
22       ments of section 484, to be eligible to receive a loan  
23       (other than an IDEA Consolidation Loan) under  
24       this part, a borrower—

1           “(A) shall be an individual who, on the  
2           date of application for such loan, has no out-  
3           standing balance of principal or interest owing  
4           on any loan made, insured, or guaranteed under  
5           part B or D (other than an excepted PLUS  
6           loan or an excepted consolidation loan (as such  
7           terms are defined in section 493C(a))); or

8           “(B) in the case of an individual with an  
9           outstanding balance of principal or interest  
10          owing on any loan described in subparagraph  
11          (A), shall consolidate all such existing loans  
12          into an IDEA Consolidation Loan under section  
13          499C.

14          “(2) ONLY STUDENT BORROWERS ELIGIBLE.—  
15          For purposes of this part, the term ‘borrower’ shall  
16          not include a parent borrower.

17          “(c) ANNUAL AND AGGREGATE LIMITS.—

18          “(1) IN GENERAL.—Subject to paragraph (2),  
19          the maximum annual amount of IDEA Loans in any  
20          academic year (as defined in section 481(a)(2)) or  
21          its equivalent, and the maximum aggregate amount  
22          of IDEA Loans that a student may borrow, shall be  
23          the maximum annual amounts and maximum aggre-  
24          gate amounts, respectively, of Federal Direct Unsub-  
25          sidized Stafford Loans under part D that such stu-



1       dent would have been eligible to borrow in the ab-  
2       sence of section 455(a)(4), as added by Earnings  
3       Contingent Education Loans Act of 2015.

4               “(2) GRADUATE AND PROFESSIONAL STU-  
5       DENTS.—In the case of a graduate or professional  
6       student who would have been eligible to borrow a  
7       Federal Direct PLUS Loan under part D in the ab-  
8       sence of section 455(a)(4), as added by Earnings  
9       Contingent Education Loans Act of 2015, the max-  
10      imum annual amounts and maximum aggregate  
11      amounts, respectively, of IDEA Loans that the stu-  
12      dent may borrow as determined under paragraph (1)  
13      for any academic year (as defined in section  
14      481(a)(2)) or its equivalent, may be increased to an  
15      amount equal to the maximum annual amounts and  
16      maximum aggregate amounts, respectively, of Fed-  
17      eral Direct PLUS Loans that such student would  
18      have been eligible to borrow in the absence of such  
19      section 455(a)(4).

20              “(d) LOAN FEE.—The Secretary shall charge the  
21      borrower of a loan (other than an IDEA Consolidation  
22      Loan) made under this part an origination fee. Such fee  
23      shall be the sum of—

24                      “(1) for the portion of the principal amount of  
25      the loan that is equal to (or less than) the maximum

1 annual amount a student may borrow under sub-  
2 section (c)(1), 1.0 percent of such portion of the  
3 principal amount of the loan; plus

4 “(2) for the portion of the principal amount of  
5 the loan that exceeds the maximum annual amount  
6 a student may borrow under subsection (c)(1), as  
7 authorized by subsection (c)(2), 4.0 percent of such  
8 portion of the principal amount of the loan.

9 “(e) INTEREST RATES.—

10 “(1) IN GENERAL.—Except as provided in para-  
11 graph (2), for IDEA Loans for which the first dis-  
12 bursement is made on or after July 1, 2016, the ap-  
13 plicable rate of interest shall, during any 12-month  
14 period beginning on July 1 and ending on June 30,  
15 be determined on the preceding June 1 and be equal  
16 to—

17 “(A) the bond equivalent rate of 10-year  
18 Treasury bills auctioned at the final auction  
19 held prior to such June 1; plus

20 “(B) 3.0 percent.

21 “(2) CERTAIN GRADUATE AND PROFESSIONAL  
22 STUDENTS.—Notwithstanding paragraph (1), with  
23 respect to graduate or professional students who  
24 have increased maximum annual and aggregate loan  
25 limits under subsection (c)(2), for IDEA Loans for

1 which the first disbursement is made on or after  
2 July 1, 2016, the applicable rate of interest shall be  
3 the weighted average of—

4 “(A) the rate determined under paragraph  
5 (1) for the portion of the principal amount of  
6 the loan that is equal to (or less than) the max-  
7 imum annual amount a student may borrow  
8 under subsection (c)(1); and

9 “(B) the rate determined under paragraph  
10 (1), except that ‘4.1 percent’ shall be sub-  
11 stituted for ‘3.0 percent’ in such determination,  
12 for the portion of the principal amount of the  
13 loan that exceeds the maximum annual amount  
14 a student may borrow under subsection (c)(1),  
15 as authorized by subsection (c)(2).

16 “(3) CONSULTATION.—The Secretary shall de-  
17 termine the applicable rate of interest under para-  
18 graph (1) after consultation with the Secretary of  
19 the Treasury and shall publish such rate in the Fed-  
20 eral Register as soon as practicable after the date of  
21 determination.

22 “(4) APPLICATION OF INTEREST RATE DURING  
23 THE LIFE OF THE LOAN.—

24 “(A) FIXED RATE UNTIL CAP.—The appli-  
25 cable rate of interest determined under para-

1 graph (1) or (2) for an IDEA Loan shall be  
2 fixed for the life of the loan, except that inter-  
3 est shall cease to accrue when the total amount  
4 of interest (both paid and unpaid) that has ac-  
5 crued during the borrower's grace and repay-  
6 ment periods equals 50 percent of the total  
7 amount of the loan (equal to the sum of the un-  
8 paid principal, interest, penalties, and fees due  
9 on the loan) as of first day of the borrower's  
10 grace period.

11 “(B) IN-SCHOOL DEFERMENT PERIOD.—  
12 Interest shall accrue and be capitalized or paid  
13 by the borrower (but periodic installments of  
14 principal need not be paid) during the in-school  
15 deferment period with respect to an IDEA  
16 Loan. For the purposes of this part, the in-  
17 school deferment period with respect to an  
18 IDEA Loan is the first period during which the  
19 borrower is pursuing at least one-half the nor-  
20 mal full-time academic workload (as determined  
21 by the institution) in the course of study for  
22 which the borrower received such loan and end-  
23 ing on the first day of the first month that be-  
24 gins after the borrower ceases to carry at least  
25 one-half the normal full-time academic workload

1 (as determined by the institution) in the course  
2 of study.

3 “(C) GRACE AND REPAYMENT PERIODS.—  
4 Interest that accrues during the borrower’s  
5 grace period (for the purposes of this title, de-  
6 fined as the period between the borrower’s in-  
7 school deferment period and the borrower’s re-  
8 payment period) and during the borrower’s re-  
9 payment period shall not be capitalized.

10 “(f) ARMED FORCES STUDENT LOAN INTEREST  
11 PAYMENT PROGRAM.—Using funds received by transfer to  
12 the Secretary under section 2174 of title 10, United States  
13 Code, for the payment of interest on a loan made under  
14 this part to a member of the Armed Forces, the Secretary  
15 shall pay the interest on the loan as due for a period not  
16 in excess of 36 consecutive months. The Secretary may  
17 not pay interest on such a loan out of any funds other  
18 than funds that have been so transferred.

19 “(g) NO ACCRUAL OF INTEREST FOR ACTIVE DUTY  
20 SERVICEMEMBERS.—

21 “(1) IN GENERAL.—Notwithstanding any other  
22 provision of this part and in accordance with para-  
23 graphs (2) and (4), interest shall not accrue for an  
24 eligible military borrower on a loan made under this

1 part for which the first disbursement is made on or  
2 after July 1, 2016.

3 “(2) IDEA CONSOLIDATION LOANS.—In the  
4 case of any IDEA Consolidation Loan made under  
5 this part that is disbursed on or after July 1, 2016,  
6 interest shall not accrue pursuant to this subsection  
7 only on such portion of such loan as was used to  
8 repay a loan made under part D for which the first  
9 disbursement is made on or after October 1, 2008.

10 “(3) ELIGIBLE MILITARY BORROWER.—In this  
11 subsection, the term eligible military borrower means  
12 an individual who—

13 “(A)(i) is serving on active duty during a  
14 war or other military operation or national  
15 emergency; or

16 “(ii) is performing qualifying National  
17 Guard duty during a war or other military op-  
18 eration or national emergency; and

19 “(B) is serving in an area of hostilities in  
20 which service qualifies for special pay under  
21 section 310 of title 37, United States Code.

22 “(4) LIMITATION.—An individual who qualifies  
23 as an eligible military borrower under this sub-  
24 section may receive the benefit of this subsection for  
25 not more than 60 months.

1       “(h) LOAN CANCELLATION AND DISCHARGE.—The  
2 Secretary shall discharge a borrower’s liability on a loan  
3 made under this part in accordance with subsections (a)  
4 and (c) of section 437.

5       “(i) NO PUBLIC SERVICE LOAN FORGIVENESS.—A  
6 loan made under this part shall not be eligible for the pub-  
7 lic service loan forgiveness program under section 455(m).

8       **“SEC. 499C. IDEA CONSOLIDATION LOANS.**

9       “(a) IDEA CONSOLIDATION LOANS.—

10           “(1) IN GENERAL.—Except as provided in this  
11 section, an IDEA Consolidation Loan under this sec-  
12 tion shall have the same terms, conditions, and bene-  
13 fits, as IDEA Loans under this part.

14           “(2) BORROWER AND LOAN ELIGIBILITY.—To  
15 be eligible to receive an IDEA Consolidation Loan  
16 under this section, a borrower—

17                   “(A) shall—

18                           “(i) meet the criteria described in sec-  
19 tion 428C(a)(3)(A); and

20                           “(ii) in the case of a borrower de-  
21 scribed in section 499B(b)(1)(B), agree to  
22 consolidate into an IDEA Consolidation  
23 Loan all loans made to the borrower that  
24 are described in subparagraphs (A) and  
25 (C) of section 428C(a)(4) (other than an

1           excepted PLUS loan or an excepted con-  
2           solidation loan (as such terms are defined  
3           in section 493C(a));

4           “(B) may consolidate the loans described  
5           in subparagraphs (B), (D), and (E) of section  
6           428C(a)(4) into such IDEA Consolidation  
7           Loan; and

8           “(C) may not consolidate an IDEA Loan  
9           under section 499B into such IDEA Consolida-  
10          tion Loan.

11          “(3) REQUIREMENTS FOR THE SECRETARY.—  
12          In making IDEA Consolidation Loans under this  
13          section, the Secretary—

14                 “(A) shall ensure that—

15                         “(i) each IDEA Consolidation Loan  
16                         will be made, notwithstanding any other  
17                         provision of this title limiting the annual or  
18                         aggregate principal amount for all loans  
19                         made to the borrower, in an amount which  
20                         is equal to the sum of the unpaid principal,  
21                         interest, penalties, and fees of all loans re-  
22                         ceived by the borrower which are selected  
23                         by the borrower for consolidation under  
24                         this section; and



1           “(ii) the proceeds of each IDEA Con-  
2           solidation Loan will be paid by the Sec-  
3           retary to the holder or holders of the loans  
4           being consolidated to discharge the liability  
5           on such loans;

6           “(B) shall not discriminate against any  
7           borrower seeking such an IDEA Consolidation  
8           Loan—

9                   “(i) based on the number or type of  
10                  loans the borrower seeks to consolidate;

11                   “(ii) based on the interest rate to be  
12                  charged to the borrower with respect to the  
13                  consolidation loan; or

14                   “(iii) based on the type or category of  
15                  institution of higher education that the  
16                  borrower attends or attended; and

17           “(C) shall disclose to a prospective bor-  
18           rower, in simple and understandable terms, at  
19           the time the Secretary provides an application  
20           for an IDEA Consolidation Loan—

21                   “(i) whether consolidation would re-  
22                  sult in a loss of loan benefits under part  
23                  B or part D, including loan forgiveness,  
24                  cancellation, and deferment;

1                   “(ii) with respect to Federal Perkins  
2                   Loans under part E—

3                   “(I) that if a borrower includes a  
4                   Federal Perkins Loan under part E in  
5                   the consolidation loan, the borrower  
6                   will lose all interest-free periods that  
7                   would have been available for the Fed-  
8                   eral Perkins Loan, including—

9                   “(aa) the periods during  
10                   which no interest accrues on such  
11                   loan while the borrower is en-  
12                   rolled in school at least half-time;

13                   “(bb) the grace period under  
14                   section 464(c)(1)(A); and

15                   “(cc) the periods during  
16                   which the borrower’s student  
17                   loan repayments are deferred  
18                   under section 464(c)(2);

19                   “(II) that if a borrower includes  
20                   a Federal Perkins Loan in the con-  
21                   solidation loan, the borrower will no  
22                   longer be eligible for cancellation of  
23                   part or all of the Federal Perkins  
24                   Loan under section 465(a); and

1                   “(III) the occupations listed in  
2                   section 465 that qualify for Federal  
3                   Perkins Loan cancellation under sec-  
4                   tion 465(a);

5                   “(iii) the options of the borrower to  
6                   prepay the IDEA Consolidation Loan;

7                   “(iv) the consequences of default on  
8                   the IDEA Consolidation Loan; and

9                   “(v) that by applying for an IDEA  
10                  Consolidation Loan, the borrower is not  
11                  obligated to agree to take the consolidation  
12                  loan.

13               “(b) INTEREST RATE.—

14               “(1) IN GENERAL.—Notwithstanding section  
15               499B(e), an IDEA Consolidation Loan for which the  
16               application is received on or after July 1, 2016, shall  
17               bear interest at an annual rate on the unpaid prin-  
18               cipal balance of the loan that is equal to the weight-  
19               ed average of the interest rates on the loans consoli-  
20               dated, rounded to the nearest higher one-eighth of  
21               one percent. Interest that accrues on such an IDEA  
22               Consolidation Loan shall not be capitalized.

23               “(2) APPLICATION OF INTEREST RATE DURING  
24               THE LIFE OF THE LOAN.—The applicable rate of in-  
25               terest determined under paragraph (1) shall be fixed

1 for the life of the IDEA Consolidation Loan, except  
2 that interest shall cease to accrue when the total  
3 amount of interest (both paid and unpaid) that has  
4 accrued on such Loan equals 50 percent of the total  
5 amount of the loans consolidated (as calculated on  
6 the date such Consolidation Loan is made, and equal  
7 to the sum of the unpaid principal, interest, pen-  
8 alties, and fees of all loans received by the borrower  
9 which are selected by the borrower for consolidation  
10 under this section).

11 **“Subpart 2—IDEA Loan Repayment Program**

12 **“CHAPTER 1—ESTABLISHMENT OF THE**  
13 **IDEA LOAN REPAYMENT PROGRAM**

14 **“SEC. 499D. DUTIES OF THE SECRETARY OF THE TREAS-**  
15 **URY.**

16 “(a) IN GENERAL.—The Secretary of the Treasury,  
17 in consultation with the Secretary of Education, shall es-  
18 tablish a program (hereinafter referred to as the ‘IDEA  
19 Loan Repayment Program’) that provides for—

20 “(1) repaying loans under this part through vol-  
21 untary wage withholding and quarterly estimated  
22 payments as provided in subsection (b); and

23 “(2) transmitting to the Secretary of Edu-  
24 cation—

1           “(A) an account of the amounts collected  
2           under subsection (b) with respect to each indi-  
3           vidual for whom a loan made under this part is  
4           in repayment status; and

5           “(B) such tax return information of each  
6           such individual as is necessary to determine the  
7           individual’s income-based repayment obligation  
8           as provided in subsection (c).

9           “(b) WAGE WITHHOLDING AND ESTIMATED PAY-  
10          MENTS.—

11           “(1) IN GENERAL.—The Secretary of the  
12          Treasury shall, under rules similar to the rules of  
13          chapter 24 of the Internal Revenue Code of 1986,  
14          provide for employers making payment of wages to  
15          deduct and withhold upon such wages amounts de-  
16          termined in accordance with tables or computational  
17          procedures prescribed by the Secretary with respect  
18          to an employee who elects withholding under this  
19          subsection with respect to a loan made under this  
20          part that is in repayment status and, if so elected,  
21          with respect to any such loans of the employee’s  
22          spouse.

23           “(2) WITHHOLDING REQUIREMENTS.—The ta-  
24          bles, procedures, and guidance prescribed under  
25          paragraph (1) shall provide—

1           “(A) for the election to have amounts with-  
2 held as provided under this subsection;

3           “(B) procedures and forms for an em-  
4 ployee to indicate—

5           “(i) whether the employee (and, in the  
6 case of a married individual, whether the  
7 employee’s spouse) has a loan made under  
8 this part that is in repayment status;

9           “(ii) in the case of a married indi-  
10 vidual, whether the employee anticipates  
11 filing jointly (and accompanying guidance  
12 explaining that if filing status for the tax-  
13 able year is uncertain the employee should  
14 indicate filing jointly to avoid underwith-  
15 holding);

16           “(iii) whether the exemption amount  
17 to which the employee is entitled under  
18 this section should be taken into account  
19 in determining withholding (and accom-  
20 panying guidance explaining that, in order  
21 to avoid underwithholding, the employee  
22 should only take into account the exemp-  
23 tion in the case of the employee’s primary  
24 employer, unless total wages from more

1 than one place of employment will not ex-  
2 ceed the exemption amount);

3 “(iv) in the case of a married indi-  
4 vidual, whether the exemption amount to  
5 which the employee’s spouse is entitled  
6 under this section should be taken into ac-  
7 count in determining withholding from the  
8 wages of the employee (and accompanying  
9 guidance explaining that, in order to avoid  
10 underwithholding, the employee should  
11 only take into account such exemption if  
12 such spouse is not employed, or if the total  
13 wages from the employee’s job and the  
14 spouse’s employment will not exceed the  
15 exemption amount);

16 “(v) the number of dependents of the  
17 employee with respect to whom the em-  
18 ployee is entitled to a deduction under sec-  
19 tion 151(c) of the Internal Revenue Code  
20 of 1986, and, if a different number, in the  
21 case of a married employee, the number of  
22 dependents of the employee’s spouse with  
23 respect to whom such spouse is entitled to  
24 such deduction; and

1           “(vi) an election to have additional  
2           amounts withheld; and

3           “(C) for withholding with respect to any  
4           employee in an amount equal to the sum of—

5                   “(i) in the case of an employee who  
6                   has a loan made under this part in repay-  
7                   ment status, the percentage of so much of  
8                   the employee’s wages that would count to-  
9                   wards the employee’s income-based repay-  
10                  ment obligation provided in subsection (c)  
11                  as exceeds any exemption amount taken  
12                  into account with respect to the employee  
13                  under subparagraph (A)(iii) (prorated to  
14                  the payroll period), plus

15                   “(ii) in the case of an employee who  
16                   indicates that the employee’s spouse has a  
17                   loan made under this part in repayment  
18                   status, the percentage of so much of the  
19                   employee’s wages that would count towards  
20                   the employee’s spouse’s income-based re-  
21                   payment obligation (as provided in sub-  
22                   section (c)) as exceeds any exemption  
23                   amount taken into account with respect to  
24                   the employee’s spouse under subparagraph  
25                   (A)(iv) (prorated to the payroll period).



1           “(3) QUARTERLY ESTIMATED TAX PAY-  
2           MENTS.—In the case of taxpayers who make quar-  
3           terly estimated tax return payments under section  
4           6654 of the Internal Revenue Code of 1986 and who  
5           have a loan made under this part in repayment sta-  
6           tus, the Secretary shall provide similar tables and  
7           procedures for making voluntary repayments of  
8           loans made under this part concurrently with such  
9           quarterly payments.

10           “(4) COLLECTION AND PAYMENT.—The  
11           amounts required to be deducted and withheld under  
12           paragraph (1), and amounts required to be paid  
13           under paragraph (3), shall be collected by the Sec-  
14           retary of the Treasury and shall be paid into the  
15           general fund of the Treasury of the United States.

16           “(c) DETERMINATION OF INCOME-BASED REPAY-  
17           MENT OBLIGATION.—

18           “(1) IN GENERAL.—As soon as practicable  
19           after an individual for whom a loan made under this  
20           part is in repayment status during the taxable year  
21           files an income tax return for such taxable year, the  
22           Secretary of the Treasury shall transmit to the Sec-  
23           retary of Education such tax information as is nec-  
24           essary to determine—

1           “(A) the amount deducted and withheld  
2           under subsection (b)(1), and the amount paid  
3           under subsection (b)(3), for the taxable year  
4           with respect to such individual, and

5           “(B) the income-based repayment obliga-  
6           tion for the taxable year for such individual.

7           “(2) INCOME-BASED REPAYMENT OBLIGA-  
8           TION.—For purposes of this section:

9           “(A) IN GENERAL.—The income-based re-  
10          payment obligation with respect to an individual  
11          for any taxable year is an amount equal to 15  
12          percent of the excess of—

13               “(i) the sum of—

14                       “(I) the wages, salaries, tips, and  
15                       other employee compensation of the  
16                       taxpayer, but only if such amounts  
17                       are includible in gross income for the  
18                       taxable year (determined without re-  
19                       gard to sections 911, 931, and 933),

20                       “(II) the amount of the tax-  
21                       payer’s net earnings from self-employ-  
22                       ment for the taxable year (within the  
23                       meaning of section 1402(a)), deter-  
24                       mined with regard to the deduction al-

1                   lowed to the taxpayer by section  
2                   164(f), plus

3                   “(III) any other amount included  
4                   in total income of the taxpayer for the  
5                   taxable year but not described in sub-  
6                   clause (I) or (II), over

7                   “(ii) the sum of—

8                   “(I) the exemption amount with  
9                   respect to such individual, plus

10                  “(II) the lesser of the amount de-  
11                  termined with respect to the taxpayer  
12                  under subclauses (II) and (III) of  
13                  clause (i), or \$3,000.

14                  “(B) SPECIAL RULES FOR MARRIED INDI-  
15                  VIDUALS.—

16                  “(i) EACH SPOUSE WITH LOAN.—Ex-  
17                  cept as provided in clause (ii), in the case  
18                  of a joint return of two individuals who  
19                  each have a loan made under this part in  
20                  repayment status, the income-based repay-  
21                  ment obligation with respect to each  
22                  spouse shall be an amount determined  
23                  under subparagraph (A) by apportioning  
24                  ½ of the total income on such return to  
25                  each spouse.

1           “(ii) SPECIAL RULE FOR FIRST YEAR  
2           OF MARRIAGE.—In the case of the first  
3           taxable year for which any two individuals  
4           make a joint return, the income-based re-  
5           payment obligation with respect to such an  
6           individual shall be an amount equal to the  
7           lesser of—

8                   “(I) the amount determined with  
9                   respect to such individual under this  
10                  paragraph (determined without regard  
11                  to this clause), or

12                   “(II) the amount determined  
13                   with respect to such individual under  
14                   this paragraph (determined by allo-  
15                   cating to each spouse the amounts de-  
16                   scribed in subclauses (I) and (II) of  
17                   subparagraph (A)(i) in proportion to  
18                   the amounts attributable to each  
19                   spouse, by allocating  $\frac{1}{2}$  of the amount  
20                   described in subparagraph (A)(i)(III)  
21                   to each spouse, and without regard to  
22                   clause (i)).

23           “(C) EXCLUSION OF CERTAIN AMOUNTS  
24           PAID ON BEHALF OF INDIVIDUAL.—Any  
25           amount paid on the borrower’s behalf under

1 section 499E(5) shall not be taken into account  
2 in determining such borrower's income-based  
3 repayment obligation.

4 “(3) EXEMPTION AMOUNT.—For purposes of  
5 this section:

6 “(A) IN GENERAL.—Except as provided in  
7 subparagraph (B), the exemption amount with  
8 respect to an individual shall be an amount  
9 equal to 150 percent of the poverty line for the  
10 individual's household size (as determined  
11 under section 673(2) of the Community Serv-  
12 ices Block Grant Act (42 U.S.C. 9902(2))) for  
13 the calendar year in which the taxable year  
14 ends.

15 “(B) SPECIAL RULE FOR MARRIED INDI-  
16 VIDUALS WHO BOTH HAVE LOANS MADE UNDER  
17 THIS PART.—If for any taxable year an indi-  
18 vidual is married, files a joint return, and has  
19 a spouse with a loan made under this part in  
20 repayment status, then the exemption amount  
21 with respect to such individual shall be an  
22 amount equal to the sum of—

23 “(i) 150 percent of the poverty line  
24 for a household size of one (as determined  
25 under section 673(2) of the Community

1 Services Block Grant Act (42 U.S.C.  
2 9902(2))) for the calendar year in which  
3 the taxable year ends, and

4 “(ii)  $\frac{1}{2}$  of the excess of—

5 “(I) 150 percent of the poverty  
6 line for the individual’s household size  
7 minus 1 (as determined under section  
8 673(2) of the Community Services  
9 Block Grant Act (42 U.S.C. 9902(2)))  
10 for the calendar year in which the tax-  
11 able year ends, over

12 “(II) the amount determined  
13 under clause (i).

14 “(C) HOUSEHOLD SIZE.—For purposes of  
15 this paragraph, an individual’s household size  
16 shall be determined by reference to the indi-  
17 vidual, the number of dependents of the tax-  
18 payer with respect to whom the taxpayer is en-  
19 titled to a deduction under section 151(c) of the  
20 Internal Revenue Code of 1986, and, if married  
21 and filing jointly, such individual’s spouse.

22 “(4) INDIVIDUALS NOT FILING A RETURN.—

23 “(A) INDIVIDUALS NOT REQUIRED TO  
24 FILE.—The income-based repayment obligation  
25 with respect to an individual not required to file

1 a return under section 6012(a)(1) of the Inter-  
2 nal Revenue Code of 1986 shall be treated as  
3 zero.

4 “(B) FAILURE TO FILE.—In the case of an  
5 individual who makes an election under sub-  
6 section (b) with respect to a loan made under  
7 this part in repayment status and fails to file  
8 a return under section 6012(a)(1), the Sec-  
9 retary of the Treasury shall transmit to the  
10 Secretary of Education any such tax informa-  
11 tion of the individual as may be necessary to  
12 determine whether such individual is in default  
13 under the terms of such loan.

14 “(5) SUBSEQUENT TRANSMISSION OF EM-  
15 PLOYER INFORMATION REPORTING.—As soon as  
16 practicable after receiving from an employer infor-  
17 mation reporting with respect to withholding under  
18 subsection (b)(1) of an individual, the Secretary of  
19 the Treasury shall transmit to the Secretary of Edu-  
20 cation such information as may be useful in  
21 verifying the information with respect to withholding  
22 transmitted under paragraph (1).

23 “(d) ADDITIONAL PROGRAM REQUIREMENTS.—The  
24 Secretary of the Treasury shall establish such other poli-  
25 cies, procedures, and guidance as may be necessary to

1 carry out the purposes of this section, including measures  
2 to prevent underwithholding, underreporting, and evasion  
3 of repayment or filing. Amounts shall be deducted and  
4 withheld under this section as the Secretary determines  
5 to be most appropriate to carry out the purposes of the  
6 IDEA Loan Repayment Program and to reflect, as accu-  
7 rately as is practicable, an individual's income-based re-  
8 payment obligation.

9 **“SEC. 499E. DUTIES OF THE SECRETARY OF EDUCATION.**

10 “The Secretary shall carry out the following activities  
11 as part of the IDEA Loan Repayment Program estab-  
12 lished under this chapter:

13 “(1) **CALCULATION OF ANNUAL REPAYMENT**  
14 **AMOUNTS.**—The Secretary shall calculate the annual  
15 repayment amounts under 499F(b) for borrowers  
16 with 1 or more loans made under this part in repay-  
17 ment status, including the income-based repayment  
18 obligations of such borrowers in accordance with sec-  
19 tion 499D(e)(2).

20 “(2) **COMMUNICATION WITH THE SECRETARY**  
21 **OF THE TREASURY.**—The Secretary shall transmit  
22 to the Secretary of the Treasury such information as  
23 is necessary for the Secretary of the Treasury to  
24 carry out section 499D.



1           “(3) ANNUAL STATEMENTS.—Upon calculating  
2           the annual repayment amounts under paragraph (1)  
3           for a taxable year, the Secretary shall provide a  
4           statement, on an annual basis, to each borrower  
5           with a loan made under this part, which lists the fol-  
6           lowing:

7                   “(A) Total payments made on the bor-  
8                   rower’s annual repayment amount for such tax-  
9                   able year.

10                   “(B) The borrower’s annual repayment  
11                   amount for such taxable year.

12                   “(C) In the case of a borrower who, ac-  
13                   cording to section 499F(f), has underpaid such  
14                   annual repayment amount, the amount of such  
15                   underpayment and the process for paying such  
16                   underpayment under section 499F(f)(2).

17                   “(D) In the case of a borrower with an  
18                   overpayment on such annual repayment  
19                   amount, the amount of such overpayment and  
20                   the process for requesting a refund of such  
21                   amount under section 499F(g), if applicable.

22                   “(E) The outstanding balances on all the  
23                   loans made to the borrower under this part.

1           “(F) A description of how the borrower’s  
2           annual repayment amount was calculated under  
3           paragraph (1) or (2) of section 499F(b).

4           “(4) DIRECT PAYMENT.—The Secretary shall  
5           enable a borrower to make direct payments on the  
6           borrower’s annual repayment amount for the taxable  
7           year to the Secretary throughout the year, including  
8           by providing a process for the borrower to make  
9           such payments automatically, on a periodic basis,  
10          and in an amount specified by the borrower.

11          “(5) PAYMENTS ON A TAXPAYER’S BEHALF.—  
12          The Secretary shall—

13                 “(A) provide a mechanism for other indi-  
14                 viduals or entities to make payments on the an-  
15                 nual repayment amount of a borrower for a tax-  
16                 able year; and

17                 “(B) notify the borrower that any pay-  
18                 ments made under subparagraph (A) for the  
19                 taxable year that exceed the annual repayment  
20                 amount for the year shall not be refunded to  
21                 the borrower.

22          “(6) CALCULATING INTEREST ACCRUED.—The  
23          Secretary shall calculate the interest accrued for the  
24          taxable year as if the borrower’s payments under  
25          wage withholding or quarterly estimated payments

1 under section 499D(b) for the taxable year were  
2 made in 12 equal increments throughout the year.

3 “(7) MANAGING LOANS.—The Secretary shall  
4 provide, through the Internet, a tool that has an  
5 interface that is consistent for all borrowers with a  
6 loan under this part, which enables each such bor-  
7 rower to—

8 “(A) view the outstanding balances on the  
9 borrower’s loans made under this part;

10 “(B) make a direct payment on the bor-  
11 rower’s annual repayment amount or indicate  
12 that any overpayment should be refunded or ap-  
13 plied to such loans as a prepayment amount;

14 “(C) view prior annual statements for such  
15 loans provided under paragraph (3);

16 “(D) view a history of payments made on  
17 such loans (including the method and source of  
18 each payment, such as tax withholding, esti-  
19 mated taxes, direct payment, or payments made  
20 on the borrower’s behalf);

21 “(E) view the borrower’s annual repay-  
22 ment amount for that year, the amount already  
23 paid on such annual repayment amount, and  
24 any amount owed by the borrower or due to be  
25 refunded to the borrower;

1           “(F) view the borrower’s loans made under  
2 this part that have been paid off;

3           “(G) enable the borrower to initiate an ap-  
4 peal process under paragraph (8); and

5           “(H) easily determine whether benefits  
6 under the Servicemembers Civil Relief Act (50  
7 U.S.C. App. 501 et seq.), if applicable, have  
8 been applied to the borrower’s loans made  
9 under this part.

10          “(8) APPEALS PROCESS.—The Secretary shall  
11 make available a process through which a borrower  
12 can appeal the calculation of the borrower’s annual  
13 repayment amount, including a worksheet that en-  
14 ables a borrower to calculate the borrower’s annual  
15 repayment amount.

16          “(9) DEFAULT FOR FAILURE TO FILE A RE-  
17 TURN.—In a case in which the Secretary receives in-  
18 formation from the Secretary of the Treasury under  
19 section 499D(c)(4) that a borrower with a loan  
20 made under this part in repayment status has failed  
21 to file a return under section 6012(a)(1) of the In-  
22 ternal Revenue Code of 1986 and such borrower was  
23 required to file such a return, the Secretary shall—

24           “(A) notify the borrower of the borrower’s  
25 failure to file such a return; and

1           “(B) if the borrower fails to file such a re-  
2           turn within 90 days of receipt of the notice de-  
3           scribed in subparagraph (A), consider the bor-  
4           rower’s loans made under this part in repay-  
5           ment status to be in default.

6           “(10) NATIONAL DIRECTORY OF NEW HIRES.—  
7           The Secretary shall send notices to borrowers under  
8           paragraph (5) of section 435(i) of the Social Secu-  
9           rity Act (42 U.S.C. 653(i)), as added by section 5  
10          of the Earnings Contingent Education Loans Act of  
11          2015.

12       **“CHAPTER 2—BORROWER REPAYMENT OF**  
13       **IDEA LOANS AND IDEA CONSOLIDA-**  
14       **TION LOANS**

15       **“SEC. 499F. BORROWER REPAYMENT.**

16       “(a) REPAYMENT PERIOD.—The repayment period of  
17       a loan made under this part shall—

18           “(1) begin on the first day of the first taxable  
19           year that begins after the borrower’s in-school  
20           deferment period, or in the case of an IDEA Con-  
21           solidation Loan, on the first day of the first taxable  
22           year that begins after such Consolidation Loan is  
23           disbursed; and

24           “(2) continue until the loan is paid in full, ex-  
25           cept that the Secretary may grant a borrower for-

1       bearance of the borrower’s annual repayment  
2       amount—

3               “(A) for a period not to exceed 60 days,  
4       due to administrative or technical reasons;

5               “(B) for a period not to exceed 3 months,  
6       due to unusual circumstances that disrupt the  
7       borrower’s ability to make timely payments on  
8       the loan; or

9               “(C) renewable at 12-month intervals for a  
10       period not to exceed 3 years, due to docu-  
11       mented extreme economic hardship on the part  
12       of a borrower.

13       “(b) ANNUAL REPAYMENT AMOUNT.—The annual  
14       repayment amount under this part for a taxable year for  
15       a borrower with 1 or more loans made under this part  
16       in repayment status shall be equal to the lesser of—

17               “(1) the income-based repayment obligation for  
18       such borrower for such year, as calculated under  
19       section 499E(1); or

20               “(2) an amount equal to the sum of the out-  
21       standing balances (equal to the sum of the unpaid  
22       principal, interest, penalties, and fees) that the bor-  
23       rower owes on such loans.

1       “(c) METHODS OF REPAYMENT.—In repaying an an-  
2 nual repayment amount owed by a borrower for a taxable  
3 year, a borrower may—

4           “(1) with respect to any wages earned by the  
5 borrower that are subject to Federal income tax  
6 withholding, have amounts withheld upon such  
7 wages under section 499D(b)(2);

8           “(2) in the case of a borrower who makes quar-  
9 terly estimated tax return payments under section  
10 6654 of the Internal Revenue Code of 1986 for the  
11 year, pay such annual repayment amount concur-  
12 rently with such quarterly payments under section  
13 499D(b)(3);

14           “(3) make direct payments under section  
15 499E(4) on such amount to the Secretary through-  
16 out the year; or

17           “(4) have other individuals or entities make  
18 payments under section 499E(5) on the borrower’s  
19 annual repayment amount for the year.

20       “(d) ORDER OF CREDITING.—Payments on loans  
21 made under this part shall be applied, without regard to  
22 the method of such payments, first toward penalties due  
23 on the loans, next toward any fees due on the loans, then  
24 toward any interest due on the loans, and finally toward

1 the principal due on the loan with the highest applicable  
2 rate of interest among such loans.

3 “(e) PREPAYMENT AUTHORIZED.—A borrower shall  
4 have the right to prepay all or part of such loan, at any  
5 time and without penalty. Any such prepayment amount  
6 will be applied to loans made under this part in the same  
7 order as described in subsection (d).

8 “(f) UNDERPAYMENTS.—

9 “(1) PENALTIES FOR UNDERPAYMENTS.—

10 “(A) IN GENERAL.—Subject to subpara-  
11 graph (C), if, as of the last day of a taxable  
12 year, a borrower has not paid at least 90 per-  
13 cent of the borrower’s annual repayment  
14 amount for such year, the borrower shall be  
15 charged a penalty in an amount equal to 10  
16 percent of the difference between—

17 “(i) an amount equal to 90 percent of  
18 the borrower’s annual repayment amount  
19 for such year; and

20 “(ii) the amount paid on such annual  
21 repayment amount as of such day.

22 “(B) INCREASE OF ANNUAL REPAYMENT  
23 AMOUNT.—A borrower’s annual repayment  
24 amount calculated under subsection (b) for such  
25 year shall be increased by the amount of such



1 penalty, but such penalty shall not be treated as  
2 a principal or interest amount for a loan made  
3 under this part.

4 “(C) EXCEPTION.—A borrower who has  
5 paid 100 percent of the borrower’s annual re-  
6 payment amount for the taxable year preceding  
7 the taxable year described in subparagraph (A)  
8 shall not be subject to the penalty under this  
9 paragraph for the taxable year described in sub-  
10 paragraph (A).

11 “(2) RECONCILING UNDERPAYMENTS.—

12 “(A) IN GENERAL.—If, as of the last day  
13 of a taxable year, the sum of the payments  
14 made on a borrower’s annual repayment  
15 amount for such year is less than the total  
16 amount of the borrower’s annual repayment  
17 amount for such year, the borrower—

18 “(i) in the case of the first year that  
19 the borrower has a difference between such  
20 amounts—

21 “(I) may request, in such manner  
22 as the Secretary shall require, that  
23 the Secretary reduce the borrower’s  
24 annual repayment amount for such  
25 year to the sum of—

1           “(aa) the payments made,  
2           as of such day, on the borrower’s  
3           annual repayment amount for  
4           such year; and

5           “(bb) any penalties cal-  
6           culated under paragraph (1) re-  
7           sulting from such underpayment;  
8           and

9           “(II) if the borrower qualifies for  
10          the reduction requested under sub-  
11          clause (I), shall pay the sum cal-  
12          culated under such subclause at such  
13          time and in such manner as required  
14          by the Secretary;

15          “(ii) if the borrower does not qualify  
16          for a reduction under clause (i) or does not  
17          request such a reduction, shall pay to the  
18          Secretary an amount equal to the dif-  
19          ference between such amounts within the  
20          30-day period beginning on the date of re-  
21          ceipt by the borrower of the borrower’s an-  
22          nual statement described in section  
23          499E(3) for such year; or

24          “(iii) if the borrower fails to pay the  
25          amount owed by the borrower as calculated

1           under clause (ii) within the 30-day period,  
2           shall be charged a penalty equal to 2 per-  
3           cent of such amount for each month (pro-  
4           rated based on the percentage of a month  
5           such penalty is charged) that such amount  
6           is owed or until the borrower defaults on  
7           the loan for which such amount is owed,  
8           whichever occurs first.

9           “(B) DEFAULT.—A loan for which an  
10          amount is owed under subparagraph (A) and  
11          that is not paid within 360 days after the date  
12          of receipt by the borrower of the borrower’s an-  
13          nual statement described in subparagraph (A)  
14          shall be considered to be default.

15          “(g) OVERPAYMENTS.—If, as of the last day of a tax-  
16          able year, the sum of the payments made on a borrower’s  
17          annual repayment amount for such year is greater than  
18          the total amount of the borrower’s annual repayment  
19          amount for such year, the Secretary shall—

20                 “(1) refund the overpayment amount, if the  
21          borrower notifies the Secretary, within the 90-day  
22          period beginning on the date of receipt of the bor-  
23          rower’s annual statement described in section  
24          499E(3) for such year and in a manner prescribed

1 by the Secretary, that the borrower desires to have  
2 the overpayment amount refunded; or

3 “(2) if a borrower fails to notify the Secretary  
4 of the borrower’s desire for a refund of such amount  
5 within such 90-day period, apply such amount as a  
6 prepayment to the borrower’s loans made under this  
7 part in the same manner as a prepayment author-  
8 ized under subsection (e).

9 “(h) EMPLOYER FAILURE TO WITHHOLD PAY-  
10 MENTS.—In the case of a borrower whose employer fails  
11 to withhold amounts under section 499D(b)(2) upon any  
12 wages earned by the borrower that are subject to Federal  
13 income tax withholding and with respect to which the bor-  
14 rower made an election to have amounts withheld under  
15 section 499(b)(2), the Secretary shall—

16 “(1) reduce the borrower’s annual repayment to  
17 an amount equal to the borrower’s annual repay-  
18 ment amount had wages from such employer been  
19 excluded when calculating the borrower’s annual re-  
20 payment amount; and

21 “(2) reduce any penalties for underpayments  
22 calculated under subsection (f)(1) and refund any  
23 overpayments on such annual repayment amount,  
24 accordingly.”.

1 **SEC. 4. CONFORMING CHANGES TO THE HIGHER EDU-**  
2 **CATION ACT OF 1965.**

3 (a) LOAN FORGIVENESS AND CANCELLATION FOR  
4 TEACHERS.—

5 (1) LOAN FORGIVENESS FOR TEACHERS.—Sec-  
6 tion 428J of the Higher Education Act of 1965 (20  
7 U.S.C. 1078–10) is amended—

8 (A) in subsection (b), by inserting “or for  
9 an IDEA loan made under part J,” after “or  
10 428H,”; and

11 (B) in subsection (c)—

12 (i) in paragraph (1), by inserting “or  
13 an IDEA loan made under part J” after  
14 “or 428H”; or

15 (ii) in paragraph (2)—

16 (I) by striking “A loan” and in-  
17 serting the following:

18 “(A) LOANS MADE UNDER SECTION  
19 428C.—A loan”; and

20 (II) by adding at the end the fol-  
21 lowing new subparagraph:

22 “(B) IDEA CONSOLIDATION LOAN.—A  
23 loan amount for an IDEA Consolidation Loan  
24 may be a qualified loan amount for purposes of  
25 this subsection only to the extent that such loan  
26 amount was used to repay a Federal Direct

1           Stafford Loan, a Federal Direct Consolidation  
2           Loan, a Federal Direct Unsubsidized Stafford  
3           Loan, or a loan made under section 428, 428C,  
4           or 428H.”.

5           (2) LOAN CANCELLATION FOR TEACHERS.—  
6           Section 460 of such Act (20 U.S.C. 1087j) is  
7           amended—

8                   (A) in subsection (b), by inserting “or for  
9                   an IDEA loan made under part J” after  
10                   “under this part”; and

11                   (B) in subsection (c)—

12                           (i) in paragraph (1), by striking “or a  
13                           Federal Direct Unsubsidized Stafford  
14                           Loan” and inserting “, a Federal Direct  
15                           Unsubsidized Stafford Loan, or an IDEA  
16                           loan made under part J”; and

17                           (ii) in paragraph (2)—

18                                   (I) by striking “A loan” and in-  
19                                   serting the following:

20   “(A) FEDERAL DIRECT CONSOLIDATION  
21   LOAN.—A loan”; and

22   (II) by adding at the end the fol-  
23   lowing new subparagraph:

24   “(B) IDEA CONSOLIDATION LOAN.—A  
25   loan amount for an IDEA Consolidation Loan

1           may be a qualified loan amount for purposes of  
2           this subsection only to the extent that such loan  
3           amount was used to repay a Federal Direct  
4           Stafford Loan, a Federal Direct Consolidation  
5           Loan, a Federal Direct Unsubsidized Stafford  
6           Loan, or a loan made under section 428, 428C,  
7           or 428H.”.

8           (b) LOAN FORGIVENESS FOR SERVICE IN AREAS OF  
9           NATIONAL NEED.—Section 428K(a)(2) of such Act (20  
10          U.S.C. 1078–11(a)(2)) is amended—

11           (1) by striking “and” at the end of subpara-  
12          graph (A);

13           (2) by striking the period at the end of sub-  
14          paragraph (B) and inserting “; and”; and

15           (3) by adding at the end the following new sub-  
16          paragraph:

17                   “(C) to cancel the qualified loan amount  
18                   for a loan made under part J of this title.”.

19           (c) LOAN REPAYMENT FOR CIVIL LEGAL ASSIST-  
20          ANCE ATTORNEYS.—Section 428L(b)(2)(A) of such Act  
21          (20 U.S.C. 1078–12(b)(2)(A)) is amended—

22           (1) in clause (1), by striking “or part E” and  
23          inserting “, part E, or part J”; and

24           (2) in clause (ii)—

1 (A) in the matter preceding subclause (I),  
2 by striking “or 455(g)” and inserting “, 455(g),  
3 or 499C”;

4 (B) by striking “or” at the end of sub-  
5 clause (II);

6 (C) by redesignating subclause (III) as  
7 subclause (IV); and

8 (D) by inserting after subclause (II) the  
9 following:

10 “(III) a Federal Direct Consoli-  
11 dation Loan or a loan made under  
12 section 428C, in the case of a loan  
13 made under section 499C; or”.

14 (d) MASTER PROMISSORY NOTE.—Section  
15 432(m)(1)(D) of such Act (20 U.S.C. 1082(m)(1)(D)) is  
16 amended—

17 (1) by striking “this part and part D” each  
18 place it appears and by inserting “this part, part D,  
19 and part J”; and

20 (2) by striking “this part or part D” each place  
21 it appears and by inserting “this part, part D, or  
22 part J”.

23 (e) CONTRACTS.—Section 456 of such Act (20 U.S.C.  
24 1087f) is amended—

25 (1) in subsection (a)—



1 (A) in paragraph (2), by striking “this  
2 part” each place it appears and inserting “this  
3 part or part J”; and

4 (B) in paragraph (4), by inserting “or part  
5 J” after “this part”; and

6 (2) in subsection (b)—

7 (A) in paragraph (1), by inserting “or the  
8 program under part J” after “(or their par-  
9 ents)”;

10 (B) in paragraph (2), by inserting “or part  
11 J” after “this part”;

12 (C) in paragraph (3), by inserting “or part  
13 J” after “this part”; and

14 (D) in paragraph (4), by inserting “or the  
15 IDEA Loan Program” after “loan program”.

16 (f) FUNDS FOR ADMINISTRATIVE EXPENSES.—Sec-  
17 tion 458(a)(3) of such Act (20 U.S.C. 1087h(a)(3)) is  
18 amended—

19 (1) by striking “this part and part B” and in-  
20 serting “this part, part B, and part J”; and

21 (2) by inserting before the period at the end the  
22 following: “and part J”.

23 (g) STUDENT ELIGIBILITY.—Section 484 of such Act  
24 (20 U.S.C. 1091) is amended—

25 (1) in subsection (b)—

1 (A) in paragraph (3), by striking “or D”  
2 and inserting “, D, or E”; and

3 (B) in paragraph (4)(B), by striking “or  
4 E” and inserting “E, or J”;

5 (2) in subsection (d), by striking “and E” and  
6 inserting “E, and J”;

7 (3) in subsection (f), by striking “or part E”  
8 each place it appears and inserting “part E, or part  
9 J”; and

10 (4) in subsection (m), by striking “and E” and  
11 inserting “E, and J”.

12 (h) INSTITUTIONAL AND FINANCIAL ASSISTANCE IN-  
13 FORMATION FOR STUDENTS.—Section 485 of such Act  
14 (20 U.S.C. 1092) is amended—

15 (1) in subsection (a)—

16 (A) in paragraph (1)(M), by striking “and  
17 E” and inserting “E, and J”; and

18 (B) in paragraph (7)(A)(i), by striking  
19 “Loan)” each place it appears and inserting  
20 “Loan) or part J”;

21 (2) in subsection (b)—

22 (A) in paragraph (1)(A)—

23 (i) in the matter preceding clause (i),  
24 by inserting “or made under part J” after  
25 “part E”; and

1 (ii) in clause (vii)—

2 (I) by inserting “or an IDEA  
3 Consolidation Loan” after “Federal  
4 Direct Consolidation Loan”; and

5 (II) by striking “and E” and in-  
6 serting “E, and J”; and

7 (B) in paragraph (2)(A), by striking “or  
8 E” and inserting “E, or J”; and

9 (3) in subsection (l)(1)—

10 (A) in subparagraph (A), in the matter  
11 preceding clause (i), by inserting “or made  
12 under part J” after “student”); and

13 (B) in subparagraph (B), by striking “or  
14 D” and inserting “, D, or J”.

15 **SEC. 5. NATIONAL DIRECTORY OF NEW HIRES.**

16 Section 435(i) of the Social Security Act (42 U.S.C.  
17 653(i)) is amended by adding at the end the following new  
18 paragraph:

19 “(5) SENDING NOTICE TO BORROWERS OF CER-  
20 TAIN STUDENT LOANS.—The Secretary of Education  
21 shall have access to the information in the National  
22 Directory of New Hires for purposes of, on at least  
23 a monthly basis—

24 “(A) determining when individuals with an  
25 IDEA Loan or IDEA Consolidation Loan made

1 under part J of title IV of the Higher Edu-  
2 cation Act of 1965 in repayment status are  
3 hired by employers who are making payments  
4 of wages to such individuals; and

5 “(B) sending a notice to each such indi-  
6 vidual to remind such individual that—

7 “(i) the individual has 1 or more loan  
8 described in subparagraph (A) in repay-  
9 ment status;

10 “(ii) the individual is responsible for  
11 providing accurate information to the indi-  
12 vidual’s employer to ensure that the em-  
13 ployer will deduct and withhold upon such  
14 wages amounts to repay such loans in ac-  
15 cordance with section 499D(b) of the  
16 Earnings Contingent Education Loans Act  
17 of 2015; and

18 “(iii) failure to provide such accurate  
19 information will likely result in significant  
20 penalties, default, or collections pro-  
21 ceedings.”.

22 **SEC. 6. WITHHELD AMOUNTS INCLUDED ON W-2.**

23 (a) IN GENERAL.—Subsection (a) of section 6051 of  
24 the Internal Revenue Code of 1986 is amended by striking  
25 “and” at the end of paragraph (13), by striking the period

1 at the end of paragraph (14) and inserting “, and”, and  
2 by inserting after paragraph (14) the following new para-  
3 graph:

4 “(15) the total amount deducted and withheld  
5 under the IDEA Loan Repayment Program estab-  
6 lished under chapter 1 of subpart 2 of part J of title  
7 IV of the Higher Education Act of 1965.”.

8 (b) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to amounts deducted and withheld  
10 after the date of the enactment of this Act.

11 **SEC. 7. DISCLOSURE OF RETURN INFORMATION FOR PUR-**  
12 **POSES OF IDEA LOAN REPAYMENT PRO-**  
13 **GRAM.**

14 (a) IN GENERAL.—Subsection (l) of section 6103 of  
15 the Internal Revenue Code of 1986 is amended by adding  
16 at the end the following new paragraph:

17 “(23) DISCLOSURE OF RETURN INFORMATION  
18 TO DEPARTMENT OF EDUCATION FOR PURPOSES OF  
19 ADMINISTERING IDEA LOAN REPAYMENT PRO-  
20 GRAM.—

21 “(A) IN GENERAL.—The Secretary shall,  
22 upon written request, disclose to the Depart-  
23 ment of Education such return information as  
24 is necessary for purposes of carrying out the  
25 IDEA Loan Repayment Program established

1 under subpart 2 of part J of the Higher Edu-  
2 cation Act of 1965.

3 “(B) RESTRICTION ON DISCLOSURE.—Re-  
4 turn information disclosed under subparagraph  
5 (A) may be used by officers, employees, and  
6 contractors of the Department of Education  
7 only for purposes of, and to the extent nec-  
8 essary in—

9 “(i) determining income-based repay-  
10 ment obligations under the IDEA Loan  
11 Repayment Program, and

12 “(ii) determining amounts deducted  
13 and withheld, and amounts paid concu-  
14 rently with quarterly estimated taxes,  
15 under the IDEA Loan Repayment Pro-  
16 gram.”.

17 (b) EFFECTIVE DATE.—The amendments made by  
18 this section shall take effect on the date of the enactment  
19 of this Act.

20 **SEC. 8. SENSE OF CONGRESS.**

21 It is the sense of Congress that any loan repayment  
22 or forgiveness program available under a Federal law out-  
23 side of the Higher Education Act of 1965 (20 U.S.C. 1001  
24 et seq.) to students with loans made under part D of title  
25 IV of the Higher Education Act of 1965 (20 U.S.C. 1087a

- 1 et seq.) should be available to students with loans made
- 2 under part J of such title of such Act.

○