

116TH CONGRESS
2D SESSION

H. R. 6363

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2020

Ms. PRESSLEY (for herself, Ms. OMAR, Mr. RICHMOND, Mr. WELCH, Ms. NORTON, Ms. VELÁZQUEZ, Ms. CASTOR of Florida, Mr. RUSH, Mr. GARCÍA of Illinois, Mr. DEUTCH, Ms. TLAIB, Ms. CLARKE of New York, Ms. SCHAKOWSKY, Mr. NADLER, Mrs. NAPOLITANO, Ms. OCASIO-CORTEZ, Mr. GRIJALVA, Mr. CARSON of Indiana, Mr. POCAN, and Ms. LEE of California) introduced the following bill; which was referred to the Committee on Education and Labor, 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 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”.

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

3 (a) PAYMENTS FOR STUDENT LOAN BORROWERS
4 DURING A NATIONAL EMERGENCY.—

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

9 **“SEC. 493E. PAYMENTS FOR STUDENT LOAN BORROWERS**
10 **DURING A NATIONAL EMERGENCY.**

11 “(a) DEFINITIONS.—In this section:

12 “(1) CORONAVIRUS.—The term ‘coronavirus’
13 has the meaning given the term in section 506 of the
14 Coronavirus Preparedness and Response Supple-
15 mental Appropriations Act, 2020 (Public Law 116–
16 123).

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

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

22 “(B) income contingent repayment author-
23 ized under section 455(e) for loans made under
24 part D.

25 “(3) INVOLUNTARY COLLECTION.—The term
26 ‘involuntary collection’ means—

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

4 “(B) a reduction of tax refund by amount
5 of debt authorized under section 3720A of title
6 31, United States Code;

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

14 “(D) any other involuntary collection activ-
15 ity.

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

18 “(A) a public health emergency related to
19 the coronavirus that is declared by the Sec-
20 retary of Health and Human Services pursuant
21 to section 319 of the Public Health Service Act
22 (42 U.S.C. 247d); or

23 “(B) a national emergency related to the
24 coronavirus declared by the President under the

1 National Emergencies Act (50 U.S.C. 1601 et
2 seq.).

3 “(b) NATIONAL EMERGENCY STUDENT LOAN RE-
4 PAYMENT ASSISTANCE.—

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

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

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

22 “(A) as a qualifying payment under the
23 public service loan forgiveness program under
24 section 455(m), if the borrower would otherwise
25 qualify under such section;

1 “(B) in the case of a borrower enrolled in
2 an income-driven repayment plan, as a quali-
3 fying payment for the purpose of calculating eli-
4 gibility for loan forgiveness for the borrower in
5 accordance with section 493C(b)(7) or section
6 455(d)(1)(D), as the case may be; and

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

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

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

1 “(A) informing borrowers of the actions
2 taken under this section;

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

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

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

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

1 graph (1), the Secretary, or a lender or guaranty
2 agency for a loan made under part B, shall grant
3 the borrower forbearance retroactively to address
4 any such delinquency.

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

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

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

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

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

4 “(B) be reported to any consumer report-
5 ing agency or otherwise impact the borrower’s
6 credit history.

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

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

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

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

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

22 “(2) the master calendar requirements under
23 section 482;

24 “(3) negotiated rulemaking under section 492;
25 and

1 “(4) the requirement to publish the notices re-
2 lated to the system of records of the agency before
3 implementation required under paragraphs (4) and
4 (11) of section 552a(e) of title 5, United States
5 Code (commonly known as the ‘Privacy Act of
6 1974’), except that the notices shall be published not
7 later than 180 days after the date of enactment of
8 the Student Debt Emergency Relief Act.

9 “(g) AUTHORIZATION OF MANDATORY FUNDING FOR
10 IMPLEMENTATION.—

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

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

17 “(B) such sums as are necessary to pro-
18 vide the payments and interest cancellation pro-
19 vided under this section.

20 “(2) AVAILABILITY.—Amounts made available
21 under paragraph (1) shall—

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

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

1 (2) FFEL AMENDMENT.—Section 428(c)(8) of
2 the Higher Education Act of 1965 (20 U.S.C.
3 1078(c)(8)) is amended by striking “and for which”
4 and all that follows through “this subsection”.

5 (b) MINIMUM RELIEF FOR STUDENT LOAN BOR-
6 ROWERS AS A RESULT OF A NATIONAL EMERGENCY.—
7 Part G of title IV of the Higher Education Act of 1965
8 (20 U.S.C. 1088 et seq.), as amended by subsection (a),
9 is further amended by inserting after section 493E the
10 following:

11 **“SEC. 493F. MINIMUM RELIEF FOR STUDENT LOAN BOR-**
12 **ROWERS AS A RESULT OF A NATIONAL EMER-**
13 **GENCY.**

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

22 “(1) the difference between \$30,000 and the
23 total amount of payments made by the Secretary
24 under section 493E(b) on such loans of the borrower
25 during the period of time when the Secretary was

1 authorized to make payments on a loan under sec-
2 tion 493E(b)(1); or

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

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

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

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

16 **“SEC. 139I. STUDENT LOAN PAYMENTS RESULTING FROM A**
17 **NATIONAL EMERGENCY.**

18 “Gross income shall not include any payment made
19 on behalf of the taxpayer under section 493E(b)(1) or
20 493F of the Higher Education Act of 1965.”.

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

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

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

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