

111TH CONGRESS
2^D SESSION

H. R. 6374

To amend the Higher Education Act of 1965 to provide for the refinancing of certain private education loans for physicians practicing primary care medicine.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2010

Mr. PAYNE introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Act of 1965 to provide for the refinancing of certain private education loans for physicians practicing primary care medicine.

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. PRIVATE EDUCATION LOAN REFINANCING.**

4 Title IV of the Higher Education Act of 1965 (20
5 U.S.C. 1070 et seq.) is amended by adding at the end
6 the following:

1 **“PART J—PRIVATE EDUCATION LOAN**

2 **REFINANCING**

3 **“SEC. 499A. PRIVATE EDUCATION LOAN REFINANCING FOR**

4 **PHYSICIANS.**

5 “(a) IN GENERAL.—

6 “(1) AUTHORITY.—The Secretary shall carry
7 out a Physician Private Education Loan Refinancing
8 Program in accordance with this section.

9 “(2) AVAILABILITY OF FUNDS.—There are
10 hereby made available, in accordance with the provi-
11 sions of this section, such sums as may be necessary
12 to make loans under this section through refinancing
13 private education loans to all individuals eligible to
14 receive refinancing under this section.

15 “(3) PRIVATE EDUCATION LOAN.—In this sec-
16 tion, the term ‘private education loan’ has the mean-
17 ing given the term ‘qualified education loan’ in sec-
18 tion 221 of the Internal Revenue Code, but does not
19 include any loan made under this title or under the
20 Public Health Service Act.

21 “(b) ELIGIBLE BORROWER.—An individual shall be
22 eligible to receive private education loan refinancing under
23 this section if the individual meets the following require-
24 ments:

25 “(1) The individual is participating in a resi-
26 dency program, approved by the Accreditation Coun-

1 cil for Graduate Medical Education or the American
2 Osteopathic Association, at a hospital in one of the
3 following specialties:

4 “(A) Family medicine.

5 “(B) Obstetrics/gynecology.

6 “(C) General internal medicine.

7 “(D) Gerontology.

8 “(E) General pediatrics.

9 “(F) General psychiatry.

10 “(2) The individual is not enrolled, on a half-
11 time or more basis, in an eligible institution under
12 this title (as such term is defined in section 435(a)).

13 “(3) The individual is indebted on at least 1
14 private education loan for the period of enrollment
15 preceding their residency program.

16 “(4) The individual is not in default on a loan
17 made, insured, or guaranteed under this title.

18 “(5) The individual has not previously obtained
19 refinancing under this section.

20 “(c) REFINANCING UNDER THE PHYSICIAN PRIVATE
21 EDUCATION LOAN REFINANCING PROGRAM.—

22 “(1) IN GENERAL.—The Secretary shall refi-
23 nance a private education loan in accordance with
24 this section for an individual who is eligible for pri-
25 vate education loan refinancing pursuant to sub-

1 section (b). Such refinancing loans shall have the
2 same terms and conditions as a Federal Direct Con-
3 solidation Loan, except as provided in paragraphs
4 (4) and (5).

5 “(2) TYPES OF LOANS ELIGIBLE TO BE REFI-
6 NANCED.—A private education loan is eligible to be
7 refinanced under this section if the loan was in-
8 curred after July 1, 2008.

9 “(3) LOAN LIMITS.—The maximum amount of
10 private education loans that may be refinanced by
11 an individual under this section is an amount equal
12 to the sum of unpaid principal, accrued interest, and
13 late charges of all private education loans eligible
14 under paragraph (2) incurred by such individual.

15 “(4) INTEREST RATE.—The interest rate for a
16 private education loan refinanced under this section
17 shall be 8.25 percent.

18 “(5) REPAYMENT TERMS.—A loan refinanced
19 under this section shall have the same repayment
20 terms, conditions, and benefits as a Federal Direct
21 Consolidation Loan, except that such loan shall not
22 be eligible for—

23 “(A) consolidation with any other loan eli-
24 gible for loan consolidation under this title;

1 “(B) income-based repayment terms under
2 this title; or

3 “(C) any loan forgiveness or cancellation
4 provided under this title or under the Public
5 Health Service Act, except in the case of death
6 or permanent and total disability.

7 “(6) LOAN APPLICATION AND PROMISSORY
8 NOTE.—The Secretary shall develop and distribute a
9 standard application and promissory note and loan
10 disclosure form for loans refinanced under this sec-
11 tion.

12 “(7) LOAN DISBURSEMENT.—The proceeds of
13 any loan refinanced under this section shall be paid
14 by the Secretary directly to the holder of the private
15 education loan being refinanced for the purpose of
16 discharging or reducing the debt on such private
17 education loan on behalf of the borrower, subject to
18 repayment terms under this section.

19 “(d) ANNUAL REPORT TO CONGRESS.—The Sec-
20 retary shall report to Congress annually on the volume and
21 repayment status of private education loans refinanced
22 under this section.”.

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