

117TH CONGRESS
2D SESSION

H. R. 6424

To amend the Higher Education Act of 1965 to improve loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 19, 2022

Mr. DEFAZIO introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committee on the Judiciary, 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 improve 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Helping Individuals Get a Higher Education while Re-
6 ducing Education Debt Act” or the “HIGHER ED Act”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REINSTATEMENT OF AUTHORITY TO MAKE FEDERAL DIRECT STAFFORD LOANS TO GRADUATE AND PROFESSIONAL STUDENTS; DISCHARGING STUDENT LOANS IN BANKRUPTCY

Sec. 101. Reinstatement of authority to make Federal Direct Stafford Loans to graduate and professional students.

Sec. 102. Discharge student loans in bankruptcy.

TITLE II—REFINANCING PROGRAMS

Sec. 201. Program authority.

Sec. 202. Refinancing program.

Sec. 203. Income-based repayment.

TITLE III—LOAN FORGIVENESS

Sec. 301. Loan forgiveness for adjunct faculty.

Sec. 302. Amendments to the public service loan forgiveness program.

Sec. 303. Transition to improved public service loan forgiveness program.

TITLE IV—INCOME-DRIVEN REPAYMENT PLANS

Sec. 401. Income-based repayment plan.

Sec. 402. Termination of certain repayment plan options.

Sec. 403. Notification and automatic enrollment procedures for borrowers who are delinquent on loans.

Sec. 404. Automatic recertification for income-driven repayment plans.

1 **TITLE I—REINSTATEMENT OF**
2 **AUTHORITY TO MAKE FED-**
3 **ERAL DIRECT STAFFORD**
4 **LOANS TO GRADUATE AND**
5 **PROFESSIONAL STUDENTS;**
6 **DISCHARGING STUDENT**
7 **LOANS IN BANKRUPTCY**

8 **SEC. 101. REINSTATEMENT OF AUTHORITY TO MAKE FED-**
9 **ERAL DIRECT STAFFORD LOANS TO GRAD-**
10 **UATE AND PROFESSIONAL STUDENTS.**

11 (a) AMENDMENTS.—Section 455(a)(3) of the Higher
12 Education Act of 1965 (20 U.S.C. 1087e(a)(3)) is amend-
13 ed—

1 (1) in the paragraph heading, by inserting
2 “TEMPORARY” before “TERMINATION”; and

3 (2) in subparagraph (A), in the matter pre-
4 ceding clause (i), by inserting “, and ending on or
5 before June 30, 2021” after “2012”.

6 (b) INAPPLICABILITY OF RULEMAKING REQUIRE-
7 MENTS.—Sections 482(c) and 492 of the Higher Edu-
8 cation Act of 1965 (20 U.S.C. 1089(c); 1098a) shall not
9 apply to the regulations under this section.

10 **SEC. 102. DISCHARGE STUDENT LOANS IN BANKRUPTCY.**

11 (a) EXCEPTION TO DISCHARGE.—Section 523(a) of
12 title 11, United States Code, is amended—

13 (1) by striking paragraph (8); and

14 (2) by redesignating paragraphs (9) through
15 (14B) as paragraphs (8) through (14A), respec-
16 tively.

17 (b) CONFORMING AMENDMENTS.—Title 11, United
18 States Code, is amended—

19 (1) in section 704(c)(1)(C)(iv)(I) by striking
20 “(14A)” and inserting “(14)”;

21 (2) in section 1106(c)(1)(C)(iv)(I) by striking
22 “(14A)” and inserting “(14)”;

23 (3) in section 1202(c)(1)(C)(iv)(I) by striking
24 “(14A)” and inserting “(14)”;

1 (4) in section 1328(a)(2) by striking “(8), or
2 (9)” and inserting “or (8)”.

3 (c) EFFECTIVE DATE; APPLICATION OF AMEND-
4 MENTS.—

5 (1) EFFECTIVE DATE.—Except as provided in
6 subsection (b), this section and the amendments
7 made by this section shall take effect on the date of
8 the enactment of this Act.

9 (2) APPLICATION OF AMENDMENTS.—The
10 amendments made by this section shall apply only
11 with respect to cases commenced under title 11 of
12 the United States Code on or after the date of the
13 enactment of this Act.

14 **TITLE II—REFINANCING**
15 **PROGRAMS**

16 **SEC. 201. PROGRAM AUTHORITY.**

17 Section 451(a) of the Higher Education Act of 1965
18 (20 U.S.C. 1087a(a)) is amended—

19 (1) by striking “and (2)” and inserting “(2)”;
20 and

21 (2) by inserting “; and (3) to make loans under
22 section 460A and section 460B” after “section
23 459A”.

1 **SEC. 202. REFINANCING PROGRAM.**

2 Part D of title IV of the Higher Education Act of
3 1965 (20 U.S.C. 1087a et seq.) is amended by adding at
4 the end the following:

5 **“SEC. 460A. REFINANCING FFEL AND FEDERAL DIRECT**
6 **LOANS.**

7 “(a) IN GENERAL.—Beginning not later than 180
8 days after the date of enactment of the Helping Individ-
9 uals Get a Higher Education while Reducing Education
10 Debt Act, the Secretary shall establish a program under
11 which the Secretary, upon the receipt of an application
12 from a qualified borrower, makes a loan under this part,
13 in accordance with the provisions of this section, in order
14 to permit the borrower to obtain the interest rate provided
15 under subsection (c).

16 “(b) REFINANCING DIRECT LOANS.—

17 “(1) FEDERAL DIRECT LOANS.—Upon applica-
18 tion of a qualified borrower, the Secretary shall
19 repay a Federal Direct Stafford Loan, a Federal Di-
20 rect Unsubsidized Stafford Loan, a Federal Direct
21 PLUS Loan, or a Federal Direct Consolidation
22 Loan of the qualified borrower, for which the first
23 disbursement was made, or the application for the
24 consolidation loan was received, before July 1, 2022,
25 with the proceeds of a refinanced Federal Direct
26 Stafford Loan, a Federal Direct Unsubsidized Staf-

1 ford Loan, a Federal Direct PLUS Loan, or a Fed-
2 eral Direct Consolidation Loan, respectively, issued
3 to the borrower in an amount equal to the sum of
4 the unpaid principal, accrued unpaid interest, and
5 late charges of the original loan.

6 “(2) REFINANCING FFEL PROGRAM LOANS AS
7 REFINANCED FEDERAL DIRECT LOANS.—Upon ap-
8 plication of a qualified borrower for any loan that
9 was made, insured, or guaranteed under part B and
10 for which the first disbursement was made, or the
11 application for the consolidation loan was received,
12 before July 1, 2010, the Secretary shall make a loan
13 under this part, in an amount equal to the sum of
14 the unpaid principal, accrued unpaid interest, and
15 late charges of the original loan to the borrower in
16 accordance with the following:

17 “(A) The Secretary shall pay the proceeds
18 of such loan to the eligible lender of the loan
19 made, insured, or guaranteed under part B, in
20 order to discharge the borrower from any re-
21 maining obligation to the lender with respect to
22 the original loan.

23 “(B) A loan made under this section that
24 was originally—

1 “(i) a loan originally made, insured,
2 or guaranteed under section 428 shall be a
3 Federal Direct Stafford Loan;

4 “(ii) a loan originally made, insured,
5 or guaranteed under section 428B shall be
6 a Federal Direct PLUS Loan;

7 “(iii) a loan originally made, insured,
8 or guaranteed under section 428H shall be
9 a Federal Direct Unsubsidized Stafford
10 Loan; and

11 “(iv) a loan originally made, insured,
12 or guaranteed under section 428C shall be
13 a Federal Direct Consolidation Loan.

14 “(C) The interest rate for each loan made
15 by the Secretary under this paragraph shall be
16 the rate provided under subsection (c).

17 “(c) INTEREST RATES.—

18 “(1) IN GENERAL.—The interest rate for the
19 refinanced Federal Direct Stafford Loans, Federal
20 Direct Unsubsidized Stafford Loans, Federal Direct
21 PLUS Loans, and Federal Direct Consolidation
22 Loans, shall be a rate equal to—

23 “(A) in any case where the original loan
24 was a loan under section 428 or 428H, a Fed-
25 eral Direct Stafford loan, or a Federal Direct

1 Unsubsidized Stafford Loan, that was issued to
2 an undergraduate student, a rate equal to the
3 rate for Federal Direct Stafford Loans and
4 Federal Direct Unsubsidized Stafford Loans
5 issued to undergraduate students for the 12-
6 month period beginning on July 1, 2016, and
7 ending on June 30, 2017;

8 “(B) in any case where the original loan
9 was a loan under section 428 or 428H, a Fed-
10 eral Direct Stafford Loan, or a Federal Direct
11 Unsubsidized Stafford Loan, that was issued to
12 a graduate or professional student, a rate equal
13 to the rate for Federal Direct Unsubsidized
14 Stafford Loans issued to graduate or profes-
15 sional students for the 12-month period begin-
16 ning on July 1, 2016, and ending on June 30,
17 2017;

18 “(C) in any case where the original loan
19 was a loan under section 428B or a Federal Di-
20 rect PLUS Loan, a rate equal to the rate for
21 Federal Direct PLUS Loans for the 12-month
22 period beginning on July 1, 2016, and ending
23 on June 30, 2017; and

24 “(D) in any case where the original loan
25 was a loan under section 428C or a Federal Di-

1 rect Consolidation Loan, a rate calculated in ac-
2 cordance with paragraph (2).

3 “(2) INTEREST RATES FOR CONSOLIDATION
4 LOANS.—

5 “(A) METHOD OF CALCULATION.—In
6 order to determine the interest rate for any re-
7 financed Federal Direct Consolidation Loan
8 under paragraph (1)(D), the Secretary shall—

9 “(i) determine each of the component
10 loans that were originally consolidated in
11 the loan under section 428C or the Federal
12 Direct Consolidation Loan, and calculate
13 the proportion of the unpaid principal bal-
14 ance of the loan under section 428C or the
15 Federal Direct Consolidation Loan that
16 each component loan represents;

17 “(ii) use the proportions determined
18 in accordance with clause (i) and the inter-
19 est rate applicable for each component
20 loan, as determined under subparagraph
21 (B), to calculate the weighted average of
22 the interest rates on the loans consolidated
23 into the loan under section 428C or the
24 Federal Direct Consolidation Loan; and

1 “(iii) apply the weighted average cal-
2 culated under clause (ii) as the interest
3 rate for the refinanced Federal Direct Con-
4 solidation Loan.

5 “(B) INTEREST RATES FOR COMPONENT
6 LOANS.—The interest rates for the component
7 loans of a loan made under section 428C or a
8 Federal Direct Consolidation Loan shall be the
9 following:

10 “(i) The interest rate for any loan
11 under section 428 or 428H, Federal Direct
12 Stafford Loan, or Federal Direct Unsub-
13 sidized Stafford Loan issued to an under-
14 graduate student shall be a rate equal to
15 the lesser of—

16 “(I) the rate for Federal Direct
17 Stafford Loans and Federal Direct
18 Unsubsidized Stafford Loans issued
19 to undergraduate students for the 12-
20 month period beginning on July 1,
21 2016, and ending on June 30, 2017;
22 or

23 “(II) the original interest rate of
24 the component loan.

1 “(ii) The interest rate for any loan
2 under section 428 or 428H, Federal Direct
3 Stafford Loan, or Federal Direct Unsub-
4 sidized Stafford Loan issued to a graduate
5 or professional student shall be a rate
6 equal to the lesser of—

7 “(I) the rate for Federal Direct
8 Unsubsidized Stafford Loans issued
9 to graduate or professional students
10 for the 12-month period beginning on
11 July 1, 2016, and ending on June 30,
12 2017; or

13 “(II) the original interest rate of
14 the component loan.

15 “(iii) The interest rate for any loan
16 under section 428B or Federal Direct
17 PLUS Loan shall be a rate equal to the
18 lesser of—

19 “(I) the rate for Federal Direct
20 PLUS Loans for the 12-month period
21 beginning on July 1, 2016, and end-
22 ing on June 30, 2017; or

23 “(II) the original interest rate of
24 the component loan.

1 “(iv) The interest rate for any compo-
2 nent loan that is a loan under section
3 428C or a Federal Direct Consolidation
4 Loan shall be the weighted average of the
5 interest rates that would apply under this
6 subparagraph for each loan comprising the
7 component consolidation loan.

8 “(v) The interest rate for any eligible
9 loan that is a component of a loan made
10 under section 428C or a Federal Direct
11 Consolidation Loan and is not described in
12 clauses (i) through (iv) shall be the inter-
13 est rate on the original component loan.

14 “(3) FIXED RATE.—The applicable rate of in-
15 terest determined under paragraph (1) for a refi-
16 nanced loan under this section shall be fixed for the
17 period of the loan.

18 “(d) TERMS AND CONDITIONS OF LOANS.—

19 “(1) IN GENERAL.—A loan that is refinanced
20 under this section shall have the same terms and
21 conditions as the original loan, except as otherwise
22 provided in this section.

23 “(2) NO AUTOMATIC EXTENSION OF REPAY-
24 MENT PERIOD.—Refinancing a loan under this sec-
25 tion shall not result in the extension of the duration

1 of the repayment period of the loan, and the bor-
2 rower shall retain the same repayment term that
3 was in effect on the original loan. Nothing in this
4 paragraph shall be construed to prevent a borrower
5 from electing a different repayment plan at any time
6 in accordance with section 455(d)(3).

7 “(e) DEFINITION OF QUALIFIED BORROWER.—

8 “(1) IN GENERAL.—For purposes of this sec-
9 tion, the term ‘qualified borrower’ means a bor-
10 rower—

11 “(A) of a loan under this part or part B
12 for which the first disbursement was made, or
13 the application for a consolidation loan was re-
14 ceived, before July 1, 2021; and

15 “(B) who meets the eligibility requirements
16 based on income or debt-to-income ratio estab-
17 lished by the Secretary.

18 “(2) INCOME REQUIREMENTS.—Not later than
19 180 days after the date of enactment of the Helping
20 Individuals Get a Higher Education while Reducing
21 Education Debt Act, the Secretary shall establish
22 eligibility requirements based on income or debt-to-
23 income ratio that take into consideration providing
24 access to refinancing under this section for bor-
25 rowers with the greatest financial need.

1 “(f) NOTIFICATION TO BORROWERS.—The Secretary,
2 in coordination with the Director of the Bureau of Con-
3 sumer Financial Protection, shall undertake a campaign
4 to alert borrowers of loans that are eligible for refinancing
5 under this section that the borrowers are eligible to apply
6 for such refinancing. The campaign shall include the fol-
7 lowing activities:

8 “(1) Developing consumer information mate-
9 rials about the availability of Federal student loan
10 refinancing.

11 “(2) Requiring servicers of loans under this
12 part or part B to provide such consumer information
13 to borrowers in a manner determined appropriate by
14 the Secretary, in consultation with the Director of
15 the Bureau of Consumer Financial Protection.

16 **“SEC. 460B. FEDERAL DIRECT REFINANCED PRIVATE LOAN**
17 **PROGRAM.**

18 “(a) DEFINITIONS.—In this section:

19 “(1) ELIGIBLE PRIVATE EDUCATION LOAN.—
20 The term ‘eligible private education loan’ means a
21 private education loan, as defined in section 140(a)
22 of the Truth in Lending Act (15 U.S.C. 1650(a)),
23 that—

24 “(A) was disbursed to the borrower before
25 July 1, 2022; and

1 “(B) was for the borrower’s own postsec-
2 ondary educational expenses for an eligible pro-
3 gram at an institution of higher education par-
4 ticipating in the loan program under this part,
5 as of the date that the loan was disbursed.

6 “(2) FEDERAL DIRECT REFINANCED PRIVATE
7 LOAN.—The term ‘Federal Direct Refinanced Pri-
8 vate Loan’ means a loan issued under subsection
9 (b)(1).

10 “(3) PRIVATE EDUCATIONAL LENDER.—The
11 term ‘private educational lender’ has the meaning
12 given the term in section 140(a) of the Truth in
13 Lending Act (15 U.S.C. 1650(a)).

14 “(4) QUALIFIED BORROWER.—The term ‘quali-
15 fied borrower’ means an individual who—

16 “(A) has an eligible private education loan;

17 “(B) has been current on payments on the
18 eligible private education loan for the 6 months
19 prior to the date of the qualified borrower’s ap-
20 plication for refinancing under this section, and
21 is in good standing on the loan at the time of
22 such application;

23 “(C) is not in default on the eligible pri-
24 vate education loan or on any loan made, in-

1 sured, or guaranteed under this part or part B
2 or E; and

3 “(D) meets the eligibility requirements de-
4 scribed in subsection (b)(2).

5 “(b) PROGRAM AUTHORIZED.—

6 “(1) IN GENERAL.—The Secretary, in consulta-
7 tion with the Secretary of the Treasury, shall carry
8 out a program under which the Secretary, upon ap-
9 plication by a qualified borrower who has an eligible
10 private education loan, shall issue such borrower a
11 loan under this part in accordance with the fol-
12 lowing:

13 “(A) The loan issued under this program
14 shall be in an amount equal to the sum of the
15 unpaid principal, accrued unpaid interest, and
16 late charges of the private education loan.

17 “(B) The Secretary shall pay the proceeds
18 of the loan issued under this program to the
19 private educational lender of the private edu-
20 cation loan, in order to discharge the qualified
21 borrower from any remaining obligation to the
22 lender with respect to the original loan.

23 “(C) The Secretary shall require that the
24 qualified borrower undergo loan counseling that
25 provides all of the information and counseling

1 required under clauses (i) through (viii) of sec-
2 tion 485(b)(1)(A) before the loan is refinanced
3 in accordance with this section, and before the
4 proceeds of such loan are paid to the private
5 educational lender.

6 “(D) The Secretary shall issue the loan as
7 a Federal Direct Refinanced Private Loan,
8 which shall have the same terms, conditions,
9 and benefits as a Federal Direct Unsubsidized
10 Stafford Loan, except as otherwise provided in
11 this section.

12 “(2) BORROWER ELIGIBILITY.—Not later than
13 180 days after the date of enactment of the Helping
14 Individuals Get a Higher Education while Reducing
15 Education Debt Act, the Secretary, in consultation
16 with the Secretary of the Treasury and the Director
17 of the Bureau of Consumer Financial Protection,
18 shall establish eligibility requirements—

19 “(A) based on income or debt-to-income
20 ratio that take into consideration providing ac-
21 cess to refinancing under this section for bor-
22 rowers with the greatest financial need;

23 “(B) to ensure eligibility only for bor-
24 rowers in good standing;

1 “(C) to minimize inequities between Fed-
2 eral Direct Refinanced Private Loans and other
3 Federal student loans;

4 “(D) to preclude windfall profits for pri-
5 vate educational lenders; and

6 “(E) to ensure full access to the program
7 authorized in this subsection for borrowers with
8 private loans who otherwise meet the criteria
9 established in accordance with subparagraphs
10 (A) and (B).

11 “(c) INTEREST RATE.—

12 “(1) IN GENERAL.—The interest rate for a
13 Federal Direct Refinanced Private Loan is—

14 “(A) in the case of a Federal Direct Refi-
15 nanced Private Loan for a private education
16 loan originally issued for undergraduate post-
17 secondary educational expenses, a rate equal to
18 the rate for Federal Direct Stafford Loans and
19 Federal Direct Unsubsidized Stafford Loans
20 issued to undergraduate students for the 12-
21 month period beginning on July 1, 2016, and
22 ending on June 30, 2017; and

23 “(B) in the case of a Federal Direct Refi-
24 nanced Private Loan for a private education
25 loan originally issued for graduate or profes-

1 sional degree postsecondary educational ex-
2 penses, a rate equal to the rate for Federal Di-
3 rect Unsubsidized Stafford Loans issued to
4 graduate or professional students for the 12-
5 month period beginning on July 1, 2016, and
6 ending on June 30, 2017.

7 “(2) COMBINED UNDERGRADUATE AND GRAD-
8 UATE STUDY LOANS.—If a Federal Direct Refi-
9 nanced Private Loan is for a private education loan
10 originally issued for both undergraduate and grad-
11 uate or professional postsecondary educational ex-
12 penses, the interest rate shall be a rate equal to the
13 rate for Federal Direct PLUS Loans for the 12-
14 month period beginning on July 1, 2016, and ending
15 on June 30, 2017.

16 “(3) FIXED RATE.—The applicable rate of in-
17 terest determined under this subsection for a Fed-
18 eral Direct Refinanced Private Loan shall be fixed
19 for the period of the loan.

20 “(d) NO INCLUSION IN AGGREGATE LIMITS.—The
21 amount of a Federal Direct Refinanced Private Loan, or
22 a Federal Direct Consolidated Loan to the extent such
23 loan was used to repay a Federal Direct Refinanced Pri-
24 vate Loan, shall not be included in calculating a bor-

1 borrower's annual or aggregate loan limits under section 428
2 or 428H.

3 “(e) NO ELIGIBILITY FOR SERVICE-RELATED RE-
4 PAYMENT.—Notwithstanding sections 428K(a)(2)(A),
5 428L(b)(2), 455(m)(3)(A), and 460(b), a Federal Direct
6 Refinanced Private Loan, or any Federal Direct Consoli-
7 dation Loan to the extent such loan was used to repay
8 a Federal Direct Refinanced Private Loan, shall not be
9 eligible for any loan repayment or loan forgiveness pro-
10 gram under section 428K, 428L, or 460 or for the repay-
11 ment plan for public service employees under section
12 455(m).

13 “(f) PRIVATE EDUCATIONAL LENDER REPORTING
14 REQUIREMENT.—

15 “(1) REPORTING REQUIRED.—Not later than
16 180 days after the date of enactment of the Helping
17 Individuals Get a Higher Education while Reducing
18 Education Debt Act, the Secretary, in consultation
19 with the Secretary of the Treasury and the Director
20 of the Bureau of Consumer Financial Protection,
21 shall establish a requirement that private edu-
22 cational lenders report the data described in para-
23 graph (2) to the Secretary, to Congress, to the Sec-
24 retary of the Treasury, and to the Director of the
25 Bureau of Consumer Financial Protection, in order

1 to allow for an assessment of the private education
2 loan market.

3 “(2) CONTENTS OF REPORTING.—The data
4 that private educational lenders shall report in ac-
5 cordance with paragraph (1) shall include each of
6 the following about private education loans (as de-
7 fined in section 140(a) of the Truth in Lending Act
8 (15 U.S.C. 1650(a))):

9 “(A) The total amount of private education
10 loan debt the lender holds.

11 “(B) The total number of private edu-
12 cation loan borrowers the lender serves.

13 “(C) The average interest rate on the out-
14 standing private education loan debt held by the
15 lender.

16 “(D) The proportion of private education
17 loan borrowers who are in default on a loan
18 held by the lender.

19 “(E) The proportion of the outstanding
20 private education loan volume held by the lend-
21 er that is in default.

22 “(F) The proportions of outstanding pri-
23 vate education loan borrowers who are 30, 60,
24 and 90 days delinquent.

1 “(G) The proportions of outstanding pri-
2 vate education loan volume that is 30, 60, and
3 90 days delinquent.

4 “(g) NOTIFICATION TO BORROWERS.—The Sec-
5 retary, in coordination with the Secretary of the Treasury
6 and the Director of the Bureau of Consumer Financial
7 Protection, shall undertake a campaign to alert borrowers
8 about the availability of private student loan refinancing
9 under this section.”.

10 **SEC. 203. INCOME-BASED REPAYMENT.**

11 Section 493C of the Higher Education Act of 1965
12 (20 U.S.C. 1098e) is amended by adding at the end the
13 following:

14 “(f) SPECIAL RULE FOR REFINANCED LOANS.—

15 “(1) REFINANCED FEDERAL DIRECT AND FFEL
16 LOANS.—In calculating the period of time during
17 which a borrower of a loan that is refinanced under
18 section 460A has made monthly payments for pur-
19 poses of subsection (b)(7), the Secretary shall deem
20 the period to include all monthly payments made for
21 the original loan, and all monthly payments made
22 for the refinanced loan, that otherwise meet the re-
23 quirements of this section.

24 “(2) FEDERAL DIRECT REFINANCED PRIVATE
25 LOANS.—In calculating the period of time during

1 which a borrower of a Federal Direct Refinanced
 2 Private Loan under section 460B has made monthly
 3 payments for purposes of subsection (b)(7), the Sec-
 4 retary shall include only payments—

5 “(A) that are made after the date of the
 6 issuance of the Federal Direct Refinanced Pri-
 7 vate Loan; and

8 “(B) that otherwise meet the requirements
 9 of this section.”.

10 **TITLE III—LOAN FORGIVENESS**

11 **SEC. 301. LOAN FORGIVENESS FOR ADJUNCT FACULTY.**

12 Section 455(m)(3)(B)(ii) of the Higher Education
 13 Act of 1965 (20 U.S.C. 1087e(m)(3)(B)(ii)) is amended—

14 (1) by striking “teaching as” and inserting the
 15 following: “teaching—

16 “(I) as”;

17 (2) by striking “, foreign language faculty, and
 18 part-time faculty at community colleges), as deter-
 19 mined by the Secretary.” and inserting “and foreign
 20 language faculty), as determined by the Secretary;
 21 or”; and

22 (3) by adding at the end the following:

23 “(II) as a part-time faculty mem-
 24 ber or instructor who—

1 “(aa) teaches not less than
 2 1 course at an institution of
 3 higher education (as defined in
 4 section 101(a)), a postsecondary
 5 vocational institution (as defined
 6 in section 102(c)), or a Tribal
 7 College or University (as defined
 8 in section 316(b)); and

9 “(bb) is not employed on a
 10 full-time basis by any other em-
 11 ployer.”.

12 **SEC. 302. AMENDMENTS TO THE PUBLIC SERVICE LOAN**
 13 **FORGIVENESS PROGRAM.**

14 (a) PUBLIC SERVICE LOAN FORGIVENESS.—

15 (1) IN GENERAL.—Section 455(m) of the High-
 16 er Education Act of 1965 (20 U.S.C. 1087e(m)) is
 17 amended to read as follows:

18 “(m) LOAN FORGIVENESS FOR FEDERAL STUDENT
 19 LOAN BORROWERS EMPLOYED IN PUBLIC SERVICE.—

20 “(1) DEFINITIONS.—In this subsection:

21 “(A) CERTIFICATION OF EMPLOYMENT.—

22 The term ‘certification of employment’ means a
 23 certification of employment under paragraph
 24 (4).

1 “(B) FULL-TIME.—The term ‘full-time’,
2 when used with respect to employment, means
3 employment—

4 “(i) with a qualifying employer for not
5 less than 30 hours per week; or

6 “(ii) with 2 or more qualifying em-
7 ployers for a total of not less than 30
8 hours per week.

9 “(C) QUALIFYING EMPLOYER.—The term
10 ‘qualifying employer’ means—

11 “(i) a Federal, State, local, or Tribal
12 government organization or instrumen-
13 tality, including any organization estab-
14 lished in law as a body politic;

15 “(ii) an organization that is described
16 in section 501(c)(3) of the Internal Rev-
17 enue Code of 1986, and exempt from tax-
18 ation under section 501(a) of such Code;

19 “(iii) an organization—

20 “(I) not described in clause (ii)
21 that is a not-for-profit organization
22 under other Federal or State law;

23 “(II) that is not a labor organi-
24 zation or partisan political organiza-
25 tion; and

1 “(III) whose purpose is to di-
2 rectly provide any of the following
3 services, as defined in regulations pro-
4 mulgated by the Secretary:

5 “(aa) Emergency manage-
6 ment and disaster response.

7 “(bb) Military service.

8 “(cc) Public safety services,
9 including fire prevention and
10 suppression, rescue services, haz-
11 arduous materials response, ambu-
12 lance services, and emergency
13 medical services.

14 “(dd) Law enforcement.

15 “(ee) Public health, includ-
16 ing service through organizations
17 that employ nurses, nurse practi-
18 tioners, nurses in a clinical set-
19 ting, or professionals engaged in
20 health care practitioner occupa-
21 tions and health care support oc-
22 cupations, as such terms are de-
23 fined by the Bureau of Labor
24 Statistics, or organizations at
25 which individuals engaged in

1 such occupations provide service,
2 but who are prohibited from
3 being employed directly by such
4 an organization or other health
5 care facility by State law.

6 “(ff) Public education, in-
7 cluding the provision of edu-
8 cational enrichment or support
9 directly to students or their fami-
10 lies, employment with a Tribal
11 College or University (as defined
12 in section 316(b)), and employ-
13 ment as an adjunct faculty mem-
14 ber or instructor for an edu-
15 cational institution.

16 “(gg) Public interest law
17 services, including prosecution or
18 public defense or legal advocacy
19 on behalf of low-income commu-
20 nities at a not-for-profit organi-
21 zation.

22 “(hh) Early childhood edu-
23 cation, including licensed or regu-
24 lated childcare, Head Start pro-

1 grams, and State funded pre-
2 kindergarten.

3 “(ii) Public service for indi-
4 viduals with disabilities.

5 “(jj) Public service for the
6 elderly.

7 “(kk) Public and school-
8 based library sciences.

9 “(ll) School-based services,
10 including the provision of non-
11 educational enrichment or sup-
12 port directly to students or their
13 families.

14 “(mm) Social work, includ-
15 ing child or family services.

16 “(nn) Veteran or military
17 services organization; or

18 “(iv) a farm or ranch that, with re-
19 spect to a fiscal year, has earnings of gross
20 revenue during such year from the sale of
21 agricultural products equal to or greater
22 than—

23 “(I) in the case of 2022,
24 \$35,000; or

1 “(II) in the case of any suc-
2 ceeding year, the amount applicable
3 under this subparagraph for the pre-
4 vious year, increased by the estimated
5 percentage change in the Consumer
6 Price Index for the most recent year
7 preceding such year.

8 “(D) QUALIFYING MONTHLY PAYMENT OB-
9 LIGATION.—The term ‘qualifying monthly pay-
10 ment obligation’ means a monthly payment obli-
11 gation due on a loan under the repayment plan
12 of the borrower—

13 “(i) that was satisfied by the borrower
14 through a payment made after October 1,
15 2007; and

16 “(ii) attributable to a period during
17 which the borrower was employed full-time
18 by a qualifying employer.

19 “(E) LOAN MADE UNDER THIS PART.—
20 The term ‘loan made under this part’ includes
21 a Federal Direct Stafford Loan, Federal Direct
22 PLUS Loan, Federal Direct Unsubsidized Staf-
23 ford Loan, or Federal Direct Consolidation
24 Loan refinanced under section 460A.

25 “(2) CANCELLATION AUTHORIZED.—

1 “(A) IN GENERAL.—Beginning on July 1,
2 2022, the Secretary shall, on an annual basis,
3 cancel an amount of interest and principal due,
4 in accordance with subparagraph (B), on any
5 loan made under this part that is not in default
6 for a borrower who—

7 “(i) has satisfied 12 qualifying month-
8 ly payment obligations on such loan; and

9 “(ii) submits a certification of employ-
10 ment that meets the requirements of para-
11 graph (3) for the period in which the bor-
12 rower makes each of the 12 payment obli-
13 gations described in subparagraph (A).

14 “(B) CANCELLATION AMOUNT.—The Sec-
15 retary shall cancel—

16 “(i) after the conclusion of each of the
17 first 9, 12-month periods described in sub-
18 paragraph (A), an amount equal to 10 per-
19 cent of the balance of interest and prin-
20 cipal due, on the loans made to the bor-
21 rower under this part, as of the date on
22 which the borrower satisfies the first quali-
23 fying monthly payment obligation under
24 this subsection on such loans; and

1 “(ii) after the conclusion of the tenth,
2 12-month period described in subpara-
3 graph (A), the obligation to repay any re-
4 maining balance of principal and interest
5 due as of the time of such cancellation, on
6 the loans made to the borrower under this
7 part.

8 “(3) CERTIFICATION OF EMPLOYMENT RE-
9 QUIREMENTS.—

10 “(A) IN GENERAL.—In order to receive
11 loan cancellation under this subsection, a bor-
12 rower of a loan made under this part shall sub-
13 mit to the Secretary a certification of employ-
14 ment.

15 “(B) CONTENT OF CERTIFICATION.—The
16 Secretary shall—

17 “(i) develop, and make easily acces-
18 sible, the certification of employment; and

19 “(ii) ensure that the method of certifi-
20 cation—

21 “(I) allows for the employer to
22 indicate and certify the dates of the
23 borrower’s employment; and

1 “(II) provides electronic signa-
2 ture options for the employer and for
3 the borrower.

4 “(C) BORROWER ACCESS.—The Secretary
5 shall ensure that a borrower may submit a cer-
6 tification of employment to the Secretary elec-
7 tronically through any information system
8 through which the Secretary permits borrowers
9 to take self-service actions with respect to their
10 loans.

11 “(D) EXCEPTION FOR SELF-CERTIFI-
12 CATION.—The Secretary shall provide a self-
13 certification option for the certification of em-
14 ployment for borrowers who have extenuating
15 circumstances preventing the borrowers from
16 obtaining the qualifying employer signature and
17 certification required under subparagraph
18 (B)(ii), as determined by the Secretary pursu-
19 ant to rulemaking and including situations
20 where an employer is no longer in existence or
21 refuses to cooperate.

22 “(E) PERIODIC REVIEW OF CERTIFICATION
23 OF EMPLOYMENT.—For each borrower of a loan
24 made under this part who has submitted a cer-
25 tification of employment, the Secretary shall—

1 “(i) by not later than 30 days after
2 receipt of the certification of employ-
3 ment—

4 “(I) review the certification of
5 employment and determine the num-
6 ber of qualifying monthly payment ob-
7 ligations satisfied on the loan during
8 the period of employment covered by
9 the certification of employment; and

10 “(II) inform the borrower of the
11 number of qualifying monthly pay-
12 ment obligations satisfied; and

13 “(ii) periodically, but not less than
14 twice annually, notify the borrower, using
15 the most recent calculation of qualifying
16 monthly payment obligations, of—

17 “(I) the number of qualifying
18 monthly payment obligations satisfied,
19 as of the date of the notice;

20 “(II) any steps the borrower can
21 take to convert non-qualifying month-
22 ly payment obligations into qualifying
23 monthly payment obligations, includ-
24 ing the options to provide payments to
25 satisfy monthly payment obligations

1 for past public service under para-
2 graph (4)(C); and

3 “(III) the dispute resolution
4 process for the Secretary’s determina-
5 tion of qualifying monthly payment
6 obligations, as described in paragraph
7 (7).

8 “(4) QUALIFYING MONTHLY PAYMENT OBLIGA-
9 TIONS.—

10 “(A) IN GENERAL.—For purposes of this
11 subsection, the number of qualifying monthly
12 payment obligations satisfied on a loan is the
13 number of monthly payments, during the period
14 of employment and based on the repayment
15 plan selected by the borrower for such period,
16 that would be satisfied based on applying the
17 total amount of payments made by the bor-
18 rower on the loan at any time during such pe-
19 riod.

20 “(B) ADJUSTMENT OF PAYMENT OBLIGA-
21 TION STATUS.—

22 “(i) HOLD HARMLESS AGAINST RET-
23 ROACTIVE DETERMINATIONS.—If the Sec-
24 retary has classified a payment obligation
25 satisfied by a borrower of a loan made

1 under this part as a qualifying monthly
2 payment obligation and later determines
3 that the payment obligation does not qual-
4 ify, the Secretary shall deem the payment
5 obligation to be a qualifying monthly pay-
6 ment obligation to be counted for purposes
7 of paragraph (2).

8 “(ii) EXPLANATION OF NON-QUALI-
9 FYING PAYMENT OBLIGATION DETERMINA-
10 TIONS.—If the Secretary determines that
11 payments made by a borrower of a loan
12 made under this part for a period of full-
13 time employment with a qualifying em-
14 ployer cannot be applied toward the total
15 number of qualifying monthly payment ob-
16 ligations for purposes of paragraph (2),
17 the Secretary shall provide a borrower with
18 an explanation and allow the borrower to
19 correct the reason for such determination,
20 to the extent possible. Such borrower reme-
21 diation shall include, at a minimum, pro-
22 viding a borrower with the opportunity to
23 reimburse the Secretary for any under-
24 payment.

1 “(C) SATISFYING PREVIOUSLY NON-QUALI-
2 FYING MONTHLY PAYMENT OBLIGATIONS.—

3 “(i) IN GENERAL.—A borrower of a
4 loan made under this part who has a pe-
5 riod during which the borrower was em-
6 ployed full-time with a qualifying employer
7 but did not satisfy one or more qualifying
8 monthly payment obligations during such
9 period, such as a borrower who was in
10 deferment or forbearance, may satisfy one
11 or more monthly payment obligations of
12 that period at a later date by paying the
13 additional amount needed to satisfy the
14 qualifying monthly payment obligation, in
15 accordance with a process established by
16 the Secretary.

17 “(ii) DETERMINATION PROCESS.—The
18 amount of past monthly payment obliga-
19 tions satisfied by a payment under this
20 subparagraph for a period of employment
21 shall be determined using the amount of
22 the borrower’s monthly payment, based on
23 any repayment plan, as selected by the
24 borrower, that could have been selected by
25 the borrower during such period. The Sec-

1 retary may require a borrower wishing to
2 satisfy past monthly payment obligations
3 under this subparagraph to submit any ad-
4 ditional information necessary to calculate
5 the amount of the past payments.

6 “(iii) LIMIT.—A borrower may not
7 satisfy more than 36 past monthly pay-
8 ment obligations under this subparagraph.

9 “(D) OVERPAYMENT.—In a case in which
10 the dispute resolution process under paragraph
11 (8) delays the date on which a borrower would
12 have received full loan forgiveness under para-
13 graph (3)(B), the Secretary shall refund the
14 borrower the amount of any qualifying monthly
15 payment obligation the borrower makes in ex-
16 cess of 120 qualifying payment obligations dur-
17 ing such process.

18 “(5) SPECIAL RULES RELATING TO FEDERAL
19 DIRECT CONSOLIDATION LOANS.—

20 “(A) REVIEW OF ANY NEW CONSOLIDA-
21 TION LOAN APPLICATION.—

22 “(i) PUBLIC SERVICE LOAN FORGIVE-
23 NESS OPTION ON CONSOLIDATION APPLICA-
24 TION.—Beginning on July 1, 2022, the
25 Secretary shall include, in any application

1 for a Federal Direct Consolidation Loan,
2 the option for the borrower to indicate that
3 the borrower is consolidating for the pur-
4 pose of using the public service loan for-
5 givenness program under this subsection.

6 “(ii) REVIEW.—Beginning on July 1,
7 2022, the Secretary shall, after issuing any
8 Federal Direct Consolidation Loan to a
9 borrower who indicated an interest in the
10 public service loan forgiveness program on
11 the loan application—

12 “(I) request that the borrower
13 submit a certification of employment;
14 and

15 “(II) after receiving a complete
16 certification of employment, review
17 the borrower’s past payments on all
18 component loans comprising the Fed-
19 eral Direct Consolidation Loan and
20 inform the borrower—

21 “(aa) of the number of
22 monthly payment obligations sat-
23 isfied by the borrower before the
24 date of consolidation that are
25 qualifying monthly payment obli-

1 gations, in accordance with sub-
2 paragraph (B); or

3 “(bb) if no payment obliga-
4 tions are satisfied, that the bor-
5 rower will not receive any credit
6 towards public service loan for-
7 giveness under this subsection for
8 the Federal Direct Consolidation
9 Loan.

10 “(B) QUALIFYING PAYMENT OBLIGATIONS
11 ON ALL COMPONENT LOANS AND LOAN TYPES
12 THROUGH CONSOLIDATION.—In the case of a
13 borrower of one or more loans eligible for con-
14 solidation, including loans made under part B,
15 who applies for, and receives, a Federal Direct
16 Consolidation Loan, the Secretary shall request
17 the borrower submit a certification of employ-
18 ment for any qualifying employment and, after
19 receiving the certification of employment,
20 shall—

21 “(i) review the borrower’s payment
22 history on each of the component loans
23 comprising the Federal Direct Consolida-
24 tion Loan, including each loan made under
25 part B; and

1 “(ii) for each component loan—

2 “(I) calculate the weighted factor
3 of the component loan, which shall be
4 the factor that represents the ratio
5 between the amount of the component
6 loan and the amount of the Federal
7 Direct Consolidation Loan, as deter-
8 mined by the Secretary;

9 “(II) determine the number of
10 equivalent monthly payment obliga-
11 tions toward the Federal Direct Con-
12 solidation Loan satisfied on the com-
13 ponent loan by multiplying the weight-
14 ed factor for the component loan by
15 the number of qualifying monthly pay-
16 ment obligations that the borrower
17 satisfied on the component loan; and

18 “(III) after rounding the number
19 determined under subclause (II) to
20 the nearest whole number, deem that
21 number of equivalent monthly pay-
22 ment obligations to be qualifying
23 monthly payment obligations on the
24 Federal Direct Consolidation Loan.

1 “(C) APPLICABILITY OF BORROWER PRO-
2 TECTIONS AND RIGHTS.—A borrower of one or
3 more loans eligible for consolidation, including
4 loans made under part B, who applies for and
5 receives a Federal Direct Consolidation Loan
6 shall receive all the protections and rights pro-
7 vided under subparagraphs (B) and (C) of
8 paragraph (4) for the loan, and for any compo-
9 nent loan, in the same manner as provided to
10 any other borrower of a loan made under this
11 part.

12 “(D) TREATMENT OF CERTAIN CONSOLI-
13 DATION LOAN PAYMENTS.—In a case in which
14 a borrower makes a qualifying monthly pay-
15 ment obligation for purposes of paragraph (2)
16 on a Federal Direct Consolidation Loan that
17 was used to repay a Federal Direct Stafford
18 Loan, Federal Direct PLUS Loan, Federal Di-
19 rect Unsubsidized Stafford Loan, or Federal
20 Direct Consolidation Loan refinanced under
21 section 460A for which at least one qualifying
22 monthly payment obligation for such purposes
23 has been made prior to the consolidation, the
24 qualifying monthly payment obligation on such
25 Federal Direct Consolidation Loan shall be

1 treated as a qualifying monthly payment obliga-
2 tion for purposes of paragraph (2) on such Fed-
3 eral Direct Stafford Loan, Federal Direct
4 PLUS Loan, Federal Direct Unsubsidized Staf-
5 ford Loan, or Federal Direct Consolidation
6 Loan.

7 “(6) NOTICE OF QUALIFYING PAYMENT OBLIGA-
8 TIONS.—

9 “(A) INITIAL NOTICE.—Upon receiving
10 any verbal or written contact by a borrower on
11 or after July 1, 2022, expressing interest in the
12 public service loan forgiveness program under
13 this subsection, the Secretary, or an eligible
14 lender or guaranty agency under part B, shall
15 provide the borrower, by not later than 30 days
16 after the contract, with a notice that—

17 “(i) explains the requirements of the
18 program, including whether the borrower
19 needs to consolidate some or all of the bor-
20 rower’s loans to receive forgiveness under
21 this subsection;

22 “(ii) includes a copy of, or a link to,
23 information about the certification of em-
24 ployment process described in paragraph
25 (3);

1 “(iii) includes an estimate of the
2 qualifying monthly payment obligations
3 that would be satisfied by the borrower
4 based on the borrower’s payment history,
5 as of the date of notice, if the borrower
6 was a full-time employee of a qualifying
7 employer and met the requirements of
8 paragraph (2); and

9 “(iv) includes an estimate of the num-
10 ber of remaining qualifying monthly pay-
11 ment obligations to be satisfied in order
12 for the borrower to receive partial loan for-
13 giveness under paragraph (2)(A).

14 “(B) SUBSEQUENT NOTICES.—After pro-
15 viding an initial notice under subparagraph (A),
16 the Secretary, or an eligible lender or guaranty
17 agency under part B, shall annually provide the
18 borrower with a notice containing the informa-
19 tion described in such subparagraph for each
20 subsequent year that the borrower has an out-
21 standing loan, unless the borrower receives no-
22 tices under paragraph (3)(E)(ii) or requests
23 that the notices be discontinued.

24 “(7) DISPUTE RESOLUTION PROCESS.—By not
25 later than July 1, 2022, the Secretary shall establish

1 a process on an online portal for borrowers to dis-
2 pute the calculation of qualifying monthly payment
3 obligations, or the determination of full or partial
4 loan forgiveness under paragraph (2), following the
5 submission of a certification of employment or appli-
6 cation for forgiveness or any successor certification
7 or application.

8 “(8) SPECIAL RULES FOR SECTION 460A
9 LOANS.—

10 “(A) REFINANCED FEDERAL DIRECT
11 LOANS.—Notwithstanding paragraph (2), in de-
12 termining the number of monthly payments
13 that meet the requirements of such paragraph
14 for an eligible Federal Direct Loan refinanced
15 under section 460A that was originally a loan
16 under this part, the Secretary shall include all
17 monthly payments made on the original loan
18 that meet the requirements of such paragraph.

19 “(B) REFINANCED FFEL LOANS.—In the
20 case of an eligible Federal Direct Loan refi-
21 nanced under section 460A that was originally
22 a loan under part B, only monthly payments
23 made after the date on which the loan was refi-
24 nanced may be included for purposes of para-
25 graph (2).

1 “(9) INELIGIBILITY.—

2 “(A) NO DOUBLE BENEFITS.—No bor-
3 rower may, for the same service, receive a re-
4 duction of loan obligations under both this sub-
5 section and section 428J, 428K, 428L, or 460.

6 “(B) FEDERAL ELECTED SERVICE EX-
7 CLUDED.—No borrower may receive loan for-
8 giveness under this subsection for service as a
9 Member of Congress or President or Vice Presi-
10 dent of the United States.”.

11 (2) FFEL PROGRAM AMENDMENTS.—Part B of
12 the Higher Education Act of 1965 (20 U.S.C. 1071
13 et seq.) is amended—

14 (A) in section 428 (20 U.S.C. 1078), by
15 adding at the end the following:

16 “(p) REPAYMENT HISTORY INFORMATION AND PUB-
17 LIC SERVICE LOAN FORGIVENESS INFORMATION.—A
18 guaranty agency shall—

19 “(1) provide, in a timely manner, any necessary
20 borrower repayment history information that the
21 Secretary requests in order to determine the bor-
22 rower’s eligibility for the public service loan forgive-
23 ness program under section 455(m), or the number
24 of qualifying monthly payment obligations satisfied
25 for purposes of the program, including such infor-

1 mation from all servicers involved in servicing the
2 borrower’s loan; and

3 “(2) carry out the requirements of section
4 455(m)(7) upon receiving any verbal or written con-
5 tact by a borrower on or after July 1, 2022, express-
6 ing interest in the public service loan forgiveness
7 program under section 455(m).”; and

8 (B) in section 433 (20 U.S.C. 1083)—

9 (i) by redesignating subsection (f) as
10 subsection (g); and

11 (ii) by inserting after subsection (e)
12 the following:

13 “(f) REPAYMENT HISTORY INFORMATION.—An eligi-
14 ble lender shall—

15 “(1) provide, in a timely manner, any necessary
16 borrower repayment history information that the
17 Secretary requests in order to determine the bor-
18 rower’s eligibility for the public service loan forgive-
19 ness program under section 455(m), or the number
20 of qualifying monthly payment obligations satisfied
21 for purposes of the public service loan forgiveness
22 program under section 455(m), including such infor-
23 mation from all servicers involved in servicing the
24 borrower’s loan; and

1 “(2) carry out the requirements of section
2 455(m)(7) upon receiving any verbal or written con-
3 tact by a borrower on or after July 1, 2022, express-
4 ing interest in the public service loan forgiveness
5 program under section 455(m).”.

6 (b) NOTIFICATION TO DIRECT LOAN BORROWERS
7 REGARDING ALL OPTIONS FOR LOAN FORGIVENESS.—
8 Section 455 of the Higher Education Act of 1965 (20
9 U.S.C. 1087e) is amended by adding at the end the fol-
10 lowing:

11 “(r) ANNUAL NOTICE REGARDING LOAN FORGIVE-
12 NESS OPTIONS.—

13 “(1) IN GENERAL.—The Secretary shall annu-
14 ally provide a written or electronic disclosure to each
15 borrower of a loan under this part—

16 “(A) notifying the borrower—

17 “(i) of any loan forgiveness option
18 available under this title that might apply
19 to a loan under this part held by the bor-
20 rower, including the public service loan for-
21 giveness program under subsection (m);
22 and

23 “(ii) in the case of a borrower who is
24 a full-time employee of a Federal agency
25 and has not expressed interest in or sub-

1 mitted a certification of employment for
2 the public service loan forgiveness pro-
3 gram—

4 “(I) that the borrower is em-
5 ployed by a qualifying employer;

6 “(II) the number of payment ob-
7 ligations satisfied by the borrower
8 that the Secretary has determined
9 could be qualifying monthly payment
10 obligations on eligible Federal Direct
11 Loan for purposes of the public serv-
12 ice loan forgiveness program; and

13 “(III) the steps necessary for the
14 borrower to submit a certification of
15 employment and to obtain forgiveness
16 under subsection (m)(2);

17 “(B) informing the borrower that the loan
18 forgiveness options described in subparagraph
19 (A) are provided free of charge; and

20 “(C) including, for each loan forgiveness
21 option, information regarding how the borrower
22 should proceed, including contact information,
23 if the borrower wishes to pursue such loan for-
24 giveness option.

1 (A) calculate the number of qualifying pay-
2 ment obligations under such section satisfied by
3 the borrower, using the criteria of such section
4 as in effect on July 1, 2022; and

5 (B) inform the borrower of the changes in
6 the public service loan forgiveness program and
7 the number of qualifying payment obligations
8 that the borrower will have satisfied for pur-
9 poses of the program, beginning on July 1,
10 2022.

11 (2) RETROACTIVE PARTIAL LOAN FORGIVE-
12 NESS.—By not later than July 1, 2022, the Sec-
13 retary shall take such steps as are necessary to pro-
14 vide partial loan forgiveness under section
15 455(m)(3)(A)(i) of the Higher Education Act of
16 1965 (20 U.S.C. 1087e(m)(3)(A)(i)), as in effect on
17 such date, to borrowers with outstanding balance of
18 principal and interest on a loan made under this
19 part who met the criteria for partial loan forgiveness
20 under such section, as in effect on July 1, 2022, be-
21 fore such date but on or after October 1, 2007.

22 (3) APPLICABILITY OF OTHER PROVISIONS.—In
23 carrying out paragraphs (1) and (2), and in any
24 other case where the Secretary is applying the loan
25 forgiveness provisions of section 455(m) of the High-

1 er Education Act of 1965 (20 U.S.C. 1087e(m)), as
2 in effect on July 1, 2022, to a borrower for whom
3 one or more payment obligations were satisfied be-
4 fore July 1, 2022, the Secretary shall determine the
5 number of payment obligations satisfied by applying
6 all of the provisions of such section as in effect on
7 July 1, 2022, including the calculation of payment
8 obligations under section 455(m)(5) of such Act and
9 the inclusion of payment obligations satisfied
10 through the component loans of a Federal Direct
11 Consolidation Loan under section 455(m)(6), with-
12 out regard as to the date on which the payment obli-
13 gation was satisfied.

14 (b) SPECIAL PSLF PROGRAM FUNDS.—

15 (1) DEFINITION OF SPECIAL PSLF PROGRAM
16 FUNDS.—In this section, the term “special PSLF
17 program funds” means the amounts appropriated
18 for public service loan forgiveness under section 315
19 of division H of the Consolidated Appropriations
20 Act, 2018 (Public Law 115–141; March 23, 2018)
21 or under section 313 of division B of the Depart-
22 ment of Defense and Labor, Health and Human
23 Services, and Education Appropriations Act, 2019
24 and Continuing Appropriations Act, 2019 (Public
25 Law 115–245; September 28, 2018).

1 (2) RESCISSION.—Upon the effective date de-
2 scribed in section 2(c), all special PSLF program
3 funds that remain unexpended on such date shall be
4 rescinded.

5 (3) TRANSITION.—The Secretary of Education
6 shall establish a process through which the Secretary
7 shall—

8 (A) review the applications of borrowers
9 who applied for the loan forgiveness program
10 carried out with special PSLF program funds
11 but had not received loan forgiveness through
12 such program before July 1, 2022; and

13 (B) assist such borrowers in pursuing loan
14 forgiveness under section 455(m) of the Higher
15 Education Act of 1965 (20 U.S.C. 1087e(m)),
16 as in effect on July 1, 2022.

17 **TITLE IV—INCOME-DRIVEN**
18 **REPAYMENT PLANS**

19 **SEC. 401. INCOME-BASED REPAYMENT PLAN.**

20 Section 493C of the Higher Education Act of 1965
21 (20 U.S.C. 1098e) is amended—

22 (1) in subsection (b)—

23 (A) in paragraph (8), by striking “and”
24 after the semicolon;

1 (B) in paragraph (9), by striking the pe-
2 riod at the end and inserting “; and”; and

3 (C) by adding at the end the following:

4 “(10) a borrower who is repaying a loan made
5 under part B or D pursuant to this section may
6 repay such loan in full at any time without pen-
7 alty.”; and

8 (2) by adding at the end the following:

9 “(f) INCOME-BASED REPAYMENT FOR NEW LOANS
10 ON AND AFTER JULY 1, 2022, AND FOR BORROWERS
11 WHO ENTER IBR AFTER JULY 1, 2022.—

12 “(1) IN GENERAL.—The income-based repay-
13 ment plan shall be carried out in accordance with
14 this section, except as otherwise specified in this
15 subsection (including through the special terms de-
16 scribed in paragraph (2))—

17 “(A) with respect to any loan issued on or
18 after July 1, 2022, if such borrower elects the
19 income-based repayment plan for that loan; and

20 “(B) with respect to any borrower who is
21 repaying a loan made, insured, or guaranteed
22 under part B or D, if such borrower elects to
23 repay the loan under the income-based repay-
24 ment plan on or after July 1, 2022.

1 “(2) SPECIAL TERMS.—Notwithstanding any
2 other provision of this section, with respect to a loan
3 described under paragraph (1), the following terms
4 shall apply to the income-based repayment plan:

5 “(A)(i) Notwithstanding subsection
6 (a)(3)(B), the repayment amount under this
7 subsection shall be an amount equal to 5 per-
8 cent of the result obtained by calculating, on at
9 least an annual basis, the amount by which—

10 “(I) the borrower’s, and the bor-
11 rower’s spouse (if applicable), adjusted
12 gross income; exceeds

13 “(II) the applicable percentage of the
14 poverty line in accordance with clause (ii)
15 that is applicable to the borrower’s family
16 size as determined under section 673(2) of
17 the Community Services Block Grant Act
18 (42 U.S.C. 9902(2)).

19 “(ii) For purposes of clause (i), the term
20 ‘applicable percentage’ means 150 percent re-
21 duced by 1 percentage point for each \$1,000 by
22 which the borrower’s adjusted gross income ex-
23 ceeds \$100,000.

24 “(B) A borrower may elect—

1 “(i) during any period during which
2 the borrower’s (and the borrower’s spouse,
3 if applicable) adjusted gross income is
4 equal to or less than 250 percent of the
5 poverty line applicable to the borrower’s
6 family size as determined under section
7 673(2) of the Community Services Block
8 Grant Act (42 U.S.C. 9902(2)), to have
9 the borrower’s aggregate monthly payment
10 for all such loans equal to \$0; and

11 “(ii) during any period during which
12 the borrower’s (and the borrower’s spouse,
13 if applicable) adjusted gross income ex-
14 ceeds 250 percent of such poverty line, to
15 have the borrower’s aggregate monthly
16 payment for all such loans not exceed, the
17 lesser of—

18 “(I) the result described in sub-
19 paragraph (A) divided by 12; or

20 “(II) the monthly amount cal-
21 culated under section 455(d)(1)(A),
22 based on a 10-year repayment period,
23 when the borrower first made the elec-
24 tion described in this subsection.

1 “(C) With respect to any loan for which
2 payments may be made under subparagraph
3 (B), be paid, or be treated as if no interest has
4 accrued, by the Secretary—

5 “(i) for any period described in sub-
6 paragraph (B)(i); and

7 “(ii) for the 6-month period after the
8 date the borrower ceases to carry at least
9 one-half the normal full-time academic
10 workload at an institution of higher edu-
11 cation, as determined by the institution,
12 and during which the borrower is not earn-
13 ing any income.

14 “(D) Subsection (b)(7)(B) shall be applied
15 by substituting ‘20 years’ for ‘25 years’.

16 “(E) A borrower of such a loan shall not
17 be required to have a partial financial hardship
18 and may elect, and remain enrolled in, the in-
19 come-based repayment plan under this sub-
20 section regardless of income level.

21 “(F) Subparagraph (A) of subsection
22 (b)(6) shall not apply and a borrower’s monthly
23 payment shall be determined in accordance with
24 subparagraph (A) divided by 12, which may ex-

1 ceed the monthly repayment amount under a
2 standard 10-year repayment plan.

3 “(G) Subparagraph (B) of subsection
4 (b)(3) shall not apply.

5 “(3) ADDITIONAL SPECIAL TERMS FOR CER-
6 TAIN BORROWERS.—A borrower described in para-
7 graph (1)(B)—

8 “(A) may choose to retain the repayment
9 plan in which the borrower is enrolled on June
10 30, 2022;

11 “(B) may elect to—

12 “(i) leave the repayment plan de-
13 scribed in subparagraph (A) and enter the
14 income-based repayment plan under this
15 subsection;

16 “(ii) leave the repayment plan de-
17 scribed in subparagraph (A) and enter a
18 standard 10-year repayment plan under
19 section 455(d)(A)(A); or

20 “(iii) not more than once per calendar
21 year, switch between the repayment plans
22 described in clauses (i) and (ii);

23 “(C) after electing to leave a repayment
24 plan other than an income-based repayment
25 plan described under this subsection or a stand-

1 ard 10-year repayment plan under section
2 455(d)(A)(A), shall not be permitted to re-elect
3 a repayment plan that is not an income-based
4 repayment plan under this subsection or such
5 standard 10-year repayment plan; and

6 “(D) shall retain, for purposes of repay-
7 ment or cancellation of any outstanding balance
8 of principal and interest due on a loan (as de-
9 scribed in subsection (b)(7)) any years of repay-
10 ment under another income-based or income-
11 contingent repayment plan under this title.

12 “(4) CAP ON INTEREST ACCRUAL.—Notwith-
13 standing any other provision of this Act, the total
14 amount of interest that accrues during a borrower’s
15 grace period and the time that a borrower is in re-
16 payment under this subsection shall not exceed 50
17 percent of the original principal amount of the
18 loan.”.

19 **SEC. 402. TERMINATION OF CERTAIN REPAYMENT PLAN**
20 **OPTIONS.**

21 (a) EFFECTIVE DATE; RULEMAKING REGARDING
22 TERMINATION OF CERTAIN REPAYMENT PLANS.—

23 (1) EFFECTIVE DATE.—The amendments made
24 by this section shall take effect on July 1, 2022.

1 (2) REGULATIONS.—Before the effective date
2 described in paragraph (1), the Secretary of Edu-
3 cation shall carry out a plan to end all eligibility for
4 repayment plans other than a standard repayment
5 plan under section 428(b)(9)(A)(i) or 455(d)(1)(A)
6 with a repayment period of 10 years and an income-
7 based repayment plan described under section
8 493C(f) for loans made under part B or D of title
9 IV of the Higher Education Act of 1965, unless the
10 borrower is enrolled in another repayment plan be-
11 fore such effective date, in accordance with the
12 amendments made by this Act.

13 (b) CHANGES TO CURRENT LAW.—

14 (1) Section 428(b) of the Higher Education Act
15 of 1965 (20 U.S.C. 1078(b)) is amended—

16 (A) in paragraph (1)—

17 (i) in subparagraph (D)—

18 (I) in clause (ii), by striking
19 “may annually change the selection of
20 a repayment plan under this part,”
21 and inserting “may at any time after
22 July 1, 2022, and not more frequently
23 than once per calendar year there-
24 after, change the selection of a repay-
25 ment plan under this part to one of

1 the 2 repayment plans described in
2 paragraph (9)(C),”; and

3 (II) in clause (iii), by striking
4 “be subject to income-contingent re-
5 payment in accordance with sub-
6 section (m);” and inserting “be sub-
7 ject to income-based repayment in ac-
8 cordance with section 493C(f);”; and

9 (ii) in subparagraph (E)(i), by strik-
10 ing “the option of repaying the loan in ac-
11 cordance with a standard, graduated, in-
12 come-sensitive, or extended repayment
13 schedule (as described in paragraph (9))
14 established by the lender in accordance
15 with regulations of the Secretary; and”
16 and inserting “the option of repaying the
17 loan in accordance with a repayment plan
18 described in paragraph (9)(C) established
19 by the lender in accordance with regula-
20 tions of the Secretary; and”; and

21 (B) in paragraph (9), by adding at the end
22 the following:

23 “(C) SELECTION OF REPAYMENT PLANS
24 ON AND AFTER JULY 1, 2022.—

1 “(i) OPPORTUNITY TO CHANGE RE-
2 PAYMENT PLANS.—Notwithstanding any
3 other provision of this paragraph, or any
4 other provision of law, and in accordance
5 with regulations, beginning on July 1,
6 2022, the lender shall offer a borrower of
7 a loan made, insured, or guaranteed under
8 this part the opportunity to change repay-
9 ment plans not more than once per cal-
10 endar year, and to enroll in one of the fol-
11 lowing repayment plans:

12 “(I) A standard repayment plan
13 under section 428(b)(9)(A)(i) with a
14 repayment period of 10 years.

15 “(II) The income-based repay-
16 ment plan under section 493C(f).”.

17 (2) Section 455(d) is amended—

18 (A) by redesignating paragraphs (2)
19 through (5) as paragraphs (3) through (6), re-
20 spectively;

21 (B) by inserting after paragraph (1), the
22 following:

23 “(2) DESIGN AND SELECTION ON AND AFTER
24 JULY 1, 2022.—

1 “(A) IN GENERAL.—Notwithstanding para-
2 graph (1), for the borrower of a loan made on
3 or after July 1, 2022, and for other borrowers
4 subject to paragraph (7), the Secretary shall
5 offer a borrower of a loan made under this part
6 2 plans for repayment of such loan, including
7 principal and interest on the loan. The borrower
8 shall be entitled to accelerate, without penalty,
9 repayment on the borrower’s loans under this
10 part. The borrower may choose—

11 “(i) a standard repayment plan under
12 section 455(d)(1)(A) with a repayment pe-
13 riod of 10 years; or

14 “(ii) the income-based repayment plan
15 under section 493C(f).

16 “(B) SELECTION BY THE SECRETARY.—If
17 a borrower of a loan made under this part on
18 or after July 1, 2022, does not select a repay-
19 ment plan described in subparagraph (A), the
20 Secretary may provide the borrower with a
21 standard repayment plan under section
22 455(d)(1)(A) with a repayment period of 10
23 years.

24 “(C) CHANGES IN SELECTIONS.—Begin-
25 ning on July 1, 2022, a borrower of a loan

1 made under this part may change the bor-
2 rower’s selection of a repayment plan in accord-
3 ance with paragraph (7) and under such terms
4 and conditions as may be established by the
5 Secretary.

6 “(D) BORROWER IN DEFAULT.—Beginning
7 on July 1, 2022, the Secretary may require any
8 borrower who has defaulted on a loan made
9 under this part to—

10 “(i) pay all reasonable collection costs
11 associated with such loan; and

12 “(ii) repay the loan pursuant to an in-
13 come-based repayment plan under section
14 493C(f).”; and

15 (C) by adding at the end the following:

16 “(7) BORROWERS OF LOANS MADE BEFORE
17 JULY 1, 2022.—A borrower who is in repayment on
18 a loan made under part B or part D before July 1,
19 2022—

20 “(A) may choose to retain the repayment
21 plan that the borrower was enrolled in on the
22 day before such date;

23 “(B) may elect to—

24 “(i) enter the income-based repayment
25 plan under section 493C(f);

1 “(ii) enter a standard repayment plan
2 under section 455(d)(1)(A) with a repay-
3 ment period of 10 years; or

4 “(iii) switch between the repayment
5 plans described in clauses (i) and (ii) not
6 more than once during a calendar year;

7 “(C) after electing to leave a repayment
8 plan other than an income-based repayment
9 plan described in this subsection or a standard
10 repayment plan under section 455(d)(1)(A),
11 shall not be permitted to re-elect a repayment
12 plan that is not an income-based repayment
13 plan described in this subsection or a standard
14 repayment plan under section 455(d)(1)(A);
15 and

16 “(D) shall retain, for purposes of repay-
17 ment or cancellation of any outstanding balance
18 of principal and interest due on a loan (as de-
19 scribed in section 493C(b)(7)) any years of re-
20 payment under another income-based or in-
21 come-contingent repayment plan under this
22 title.”.

1 **SEC. 403. NOTIFICATION AND AUTOMATIC ENROLLMENT**
2 **PROCEDURES FOR BORROWERS WHO ARE**
3 **DELINQUENT ON LOANS.**

4 (a) INCOME-CONTINGENT REPAYMENT.—Section
5 455(d) of the Higher Education Act of 1965 (20 U.S.C.
6 1087e(d)) is further amended by adding at the end the
7 following:

8 “(8) NOTIFICATION AND AUTOMATIC ENROLL-
9 MENT PROCEDURES FOR BORROWERS WHO ARE DE-
10 LINQUENT ON LOANS.—

11 “(A) AUTHORITY TO OBTAIN INCOME IN-
12 FORMATION.—

13 “(i) IN GENERAL.—In the case of any
14 borrower who is at least 60 days delin-
15 quent on a covered loan, the Secretary may
16 obtain such information as is reasonably
17 necessary regarding the income and family
18 size of the borrower (and the borrower’s
19 spouse, if applicable).

20 “(ii) AVAILABILITY OF RETURNS AND
21 RETURN INFORMATION.—Returns and re-
22 turn information (as defined in section
23 6103 of the Internal Revenue Code of
24 1986) may be obtained under this subpara-
25 graph only to the extent authorized by sec-
26 tion 6103(l)(13) of such Code.

1 “(B) BORROWER NOTIFICATION.—With re-
2 spect to each borrower of a covered loan who is
3 at least 60 days delinquent on such loan and
4 who has not been subject to the procedures
5 under this paragraph for such loan in the pre-
6 ceding 120 days, the Secretary shall, as soon as
7 practicable after such 60-day delinquency, pro-
8 vide to the borrower the following:

9 “(i) Notification that the borrower is
10 at least 60 days delinquent on at least 1
11 covered loan, and a description of all delin-
12 quent covered loans, nondelinquent covered
13 loans, and noncovered loans of the bor-
14 rower.

15 “(ii) A brief description of the repay-
16 ment plans for which the borrower is eligi-
17 ble and the covered loans and noncovered
18 loans of the borrower that may be eligible
19 for such plans, based on information avail-
20 able to the Secretary.

21 “(iii) Clear and simple instructions on
22 how to select the repayment plans.

23 “(iv) The amount of monthly pay-
24 ments for the covered and noncovered
25 loans under the repayment plans for which

1 the borrower is eligible, based on informa-
2 tion available to the Secretary, including, if
3 the income information of the borrower is
4 available to the Secretary under subpara-
5 graph (A)—

6 “(I) the amount of the monthly
7 payment under each income-driven re-
8 payment plan for which the borrower
9 is eligible for the borrower’s covered
10 and noncovered loans, based on such
11 income information; and

12 “(II) the income, family size, tax
13 filing status, and tax year information
14 on which each monthly payment is
15 based.

16 “(v) An explanation that in the case
17 of a borrower for whom adjusted gross in-
18 come is unavailable—

19 “(I) if the borrower selects to
20 repay the covered loans of such bor-
21 rower pursuant to an income-driven
22 repayment plan that defines discre-
23 tionary income in such a manner that
24 an individual not required under sec-
25 tion 6012(a)(1) of the Internal Rev-

1 enue Code of 1986 to file a return
2 with respect to income taxes imposed
3 by subtitle A of such Code may have
4 a calculated monthly payment greater
5 than \$0, the borrower will be required
6 to provide the Secretary with other
7 documentation of income satisfactory
8 to the Secretary, which documentation
9 the Secretary may use to determine
10 an appropriate repayment schedule;
11 and

12 “(II) if the borrower selects to
13 repay such loans pursuant to an in-
14 come-driven repayment plan that is
15 not described in subclause (I), the
16 borrower will not be required to pro-
17 vide the Secretary with such other
18 documentation of income, and the bor-
19 rower will have a calculated monthly
20 payment of \$0.

21 “(vi) An explanation that the Sec-
22 retary shall take the actions under sub-
23 paragraph (C) with respect to such bor-
24 rower, if—

1 “(I) the borrower is 120 days de-
2 linquent on one or more covered loans
3 and has not selected a new repayment
4 plan for the covered loans of the bor-
5 rower; and

6 “(II) in the case of such a bor-
7 rower whose repayment plan for the
8 covered loans of the borrower is not
9 an income-driven repayment plan, the
10 monthly payments under such repay-
11 ment plan are higher than such
12 monthly payments would be under an
13 income-driven repayment plan for
14 such loans.

15 “(vii) Instructions on updating the in-
16 formation of the borrower obtained under
17 subparagraph (A).

18 “(C) SECRETARY’S INITIAL SELECTION OF
19 PLAN.—With respect to each borrower de-
20 scribed in subparagraph (B) who has a repay-
21 ment plan for the covered loans of the borrower
22 that meets the requirements of clause (vi)(II) of
23 subparagraph (B) and has not selected a new
24 repayment plan for such loans in accordance
25 with the notice received under such subpara-

1 graph, and who is at least 120 days delinquent
2 on such a loan, the Secretary shall, as soon as
3 practicable—

4 “(i) in a case in which any of the bor-
5 rower’s covered loans are eligible for an in-
6 come-driven repayment plan—

7 “(I)(aa) provide the borrower
8 with the income-driven repayment
9 plan that requires the lowest monthly
10 payment amount for each covered loan
11 of the borrower, compared to any
12 other such plan for which the bor-
13 rower is eligible; or

14 “(bb) if more than one income-
15 driven repayment plan would offer the
16 borrower the same lowest monthly
17 payment amount, provide the bor-
18 rower with the income-driven repay-
19 ment plan that has the most favorable
20 terms for the borrower;

21 “(II) if the plan selected under
22 subclause (I) is not the income-driven
23 repayment plan that would have the
24 lowest monthly payment amount if the
25 borrower were eligible for such plan

1 for the borrower's covered loans and
2 noncovered loans, notify the borrower
3 of the actions, if any, the borrower
4 may take to become eligible for such
5 income-driven repayment plan; and

6 “(III) authorize the borrower to
7 change the Secretary's selection of a
8 plan under this clause to any plan de-
9 scribed in paragraph (1) for which the
10 borrower is eligible; and

11 “(ii) in a case in which none of the
12 borrower's covered loans are eligible for an
13 income-driven repayment plan, notify the
14 borrower of the actions, if any, the bor-
15 rower may take for such loans to become
16 eligible for such a plan.

17 “(D) SECRETARY'S ADDITIONAL SELEC-
18 TION OF PLAN.—

19 “(i) IN GENERAL.—With respect to
20 each borrower of a covered loan who se-
21 lects a new repayment plan in accordance
22 with the notice received under subpara-
23 graph (B) and who continues to be delin-
24 quent on such loan for a period described
25 in clause (ii), the Secretary shall, as soon

1 as practicable after such period, carry out
2 the procedures described in clauses (i) and
3 (ii) of subparagraph (C) for the covered
4 loans of the borrower, if such procedures
5 would result in lower monthly repayment
6 amounts on such loan.

7 “(ii) DESCRIPTION OF PERIOD.—The
8 duration of the period described in clause
9 (i) shall be the amount of time that the
10 Secretary determines is sufficient to indi-
11 cate that the borrower may benefit from
12 repaying such loan under a new repayment
13 plan, but in no case shall such period be
14 less than 60 days.

15 “(E) OPT-OUT.—A borrower of a covered
16 loan shall have the right to opt-out of the pro-
17 cedures under this paragraph.

18 “(9) DEFINITIONS.—In this subsection:

19 “(A) COVERED LOAN.—The term ‘covered
20 loan’ means—

21 “(i) a loan made under this part;

22 “(ii) a loan purchased under section
23 459A; or

1 “(iii) a loan that has been assigned to
2 the Secretary under section 428(c)(8) or
3 part E.

4 “(B) INCOME-DRIVEN REPAYMENT
5 PLAN.—The term ‘income-driven repayment
6 plan’ means—

7 “(i) in the case of a covered loan
8 made under this part, purchased under
9 section 459A, or assigned to the Secretary
10 before July 1, 2022, a plan described in
11 subparagraph (D) or (E) of paragraph (1);
12 and

13 “(ii) in the case of a covered loan
14 made under this part, purchased under
15 section 459A, or assigned to the Secretary
16 before July 1, 2022, the income-based re-
17 payment plan under section 493C(f).

18 “(C) NONCOVERED LOAN.—The term
19 ‘noncovered loan’ means a loan made, insured,
20 or guaranteed under this title that is not a cov-
21 ered loan.”.

22 (b) CHANGING PLANS.—Section 493C(b)(8) of the
23 Higher Education Act of 1965 (20 U.S.C. 1098e(b)(8))
24 is amended to read as follows:

1 “(8) a borrower who is repaying a loan made,
2 insured, or guaranteed under part B or D pursuant
3 to income-based repayment may elect, at any time,
4 to terminate repayment pursuant to income-based
5 repayment and repay such loan under any repay-
6 ment plan for which the loan is eligible in accord-
7 ance with the requirements of part B or part D, re-
8 spectively; and”.

9 (c) EFFECTIVE DATE; APPLICATION.—

10 (1) AUTOMATIC ENROLLMENT.—The amend-
11 ments made by subsection (a) shall—

12 (A) take effect as soon as the Secretary of
13 Education determines practicable, but not later
14 than 2 years after the date of enactment of this
15 Act; and

16 (B) apply to all borrowers of covered loans
17 (as defined in section 455(d)(9) of the Higher
18 Education Act of 1965, as added by subsection
19 (a)).

20 (2) CHANGING PLANS.—The amendment made
21 by subsection (b) shall take effect on the date of en-
22 actment of this Act.

1 **SEC. 404. AUTOMATIC RECERTIFICATION FOR INCOME-**
2 **DRIVEN REPAYMENT PLANS.**

3 Section 455(e)(8)(A) of the Higher Education Act of
4 1965 (20 U.S.C. 1087e(e)(8)(A)) is amended—

5 (1) by striking “and” after clause (ii);

6 (2) in clause (iii), by striking the period at the
7 end and inserting “; and”; and

8 (3) by adding at the end the following:

9 “(iv) in the case of a borrower for
10 whom adjusted gross income is unavail-
11 able—

12 “(I) if the borrower has selected
13 to repay the covered loans of such
14 borrower pursuant to an income-con-
15 tingent repayment plan that defines
16 discretionary income in such a man-
17 ner that an individual not required
18 under section 6012(a)(1) of the Inter-
19 nal Revenue Code of 1986 to file a re-
20 turn with respect to income taxes im-
21 posed by subtitle A of such Code may
22 have a calculated monthly payment
23 greater than \$0, the borrower will be
24 required to provide the Secretary with
25 other documentation of income satis-
26 factory to the Secretary, which docu-

1 mentation the Secretary may use to
2 determine an appropriate repayment
3 schedule; or

4 “(II) if the borrower has selected
5 to repay such loans pursuant to an in-
6 come-contingent repayment that is not
7 described in subclause (I), the bor-
8 rower will not be required to provide
9 the Secretary with such other docu-
10 mentation of income, and the bor-
11 rower will have a calculated monthly
12 payment of \$0.”.

○