

117TH CONGRESS  
2D SESSION

# H. R. 7530

To update the income-driven repayment plans and the public service loan forgiveness program under the Higher Education Act of 1965, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 2022

Ms. WILSON of Florida (for herself, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. BROWN of Maryland, Ms. BROWN of Ohio, Mr. BUTTERFIELD, Mr. CARBAJAL, Mr. CARTER of Louisiana, Mrs. CHERFILUS-McCORMICK, Ms. CLARKE of New York, Mr. CLEAVER, Mr. COURTNEY, Mr. EVANS, Ms. LOIS FRANKEL of Florida, Mr. GREEN of Texas, Mrs. HAYES, Mr. JONES, Mr. LAWSON of Florida, Mrs. MCBATH, Ms. NEWMAN, Ms. NORTON, Ms. STRICKLAND, and Ms. ADAMS) introduced the following bill; which was referred to the Committee on Education and Labor

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## A BILL

To update the income-driven repayment plans and the public service loan forgiveness program under the Higher Education Act of 1965, 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 Loan Bor-  
5 rower Relief Act”.

1 **SEC. 2. INCOME-DRIVEN REPAYMENT REQUIREMENTS.**

2 (a) INCOME-CONTINGENT REPAYMENT PLANS.—Sec-  
3 tion 455 of the Higher Education Act of 1965 (20 U.S.C.  
4 1087e) is amended—

5 (1) in subsection (d)(1)(D), by striking “25  
6 years” and inserting “15 years”; and

7 (2) in subsection (e)—

8 (A) in the matter preceding subparagraph  
9 (A), in paragraph (7), by striking “in effect for  
10 a borrower,” and inserting “in effect for a bor-  
11 rower, not to exceed 15 years,”; and

12 (B) by adding at the end the following:

13 “(1) MONTHLY PAYMENT REQUIREMENTS.—  
14 During any period a borrower is repaying a loan  
15 made under this part pursuant to an income contin-  
16 gent repayment plan under this subsection, the fol-  
17 lowing shall apply:

18 “(A)(i) The borrower’s aggregate monthly  
19 payment for all such loans shall not exceed the  
20 result described in clause (ii) divided by 12.

21 “(ii) The result described in this clause  
22 shall be 10 percent of the result obtained by  
23 calculating, on at least an annual basis, the  
24 amount by which—

1           “(I) the borrower’s, and the bor-  
2           rower’s spouse’s (if applicable), adjusted  
3           gross income; exceeds

4           “(II) 250 percent of the poverty line  
5           applicable to the borrower’s family size as  
6           determined under section 673(2) of the  
7           Community Services Block Grant Act (42  
8           U.S.C. 9902(2)).

9           “(B)(i) Subject to clause (ii), in a case in  
10          which the borrower’s aggregate monthly pay-  
11          ment on such loans is not sufficient to pay the  
12          accrued interest on such loans, any such ac-  
13          crued interest that is not paid shall be canceled  
14          by the Secretary.

15          “(ii)(I) Notwithstanding clause (i), any in-  
16          terest due and not paid on such loans at a time  
17          described in subclause (II) of this clause shall  
18          accrue but not be capitalized.

19          “(II) This clause shall apply at each of the  
20          following times:

21                 “(aa) The borrower no longer has a  
22                 partial financial hardship, as defined by  
23                 the applicable income contingent repay-  
24                 ment plan.

1           “(bb) The borrower begins making  
2           payments of not less than the monthly  
3           amount calculated under 455(d)(1)(A),  
4           based on a 10-year repayment period,  
5           when the borrower first made the election  
6           described in this subsection.”.

7           (b) INCOME-BASED REPAYMENT.—Section 493C of  
8           the Higher Education Act of 1965 (20 U.S.C. 1098e) is  
9           amended—

10           (1) in subsection (a)(3)(B)—

11                   (A) in the matter preceding clause (i), by  
12                   striking “15 percent” and inserting “10 per-  
13                   cent”; and

14                   (B) in clause (ii), by striking “150” and  
15                   inserting “250”; and

16           (2) in subsection (b)—

17                   (A) by striking paragraph (3) and insert-  
18                   ing the following:

19                   “(3) any interest due and not paid under para-  
20                   graph (2)—

21                           “(A) subject to subparagraph (B), shall be  
22                           canceled or paid by the Secretary during the  
23                           period after the date of the borrower’s election  
24                           under paragraph (1); and

1           “(B) shall accrue but not be capitalized, at  
2           the time the borrower—

3                   “(i) ends the election to make income-  
4                   based repayment under this subsection; or

5                   “(ii) begins making payments of not  
6                   less than the amount specified in para-  
7                   graph (6)(A);” and

8                   (B) in paragraph (7)(B), by striking “25  
9                   years” and inserting “15 years”.

10          (c) APPLICATION.—The amendments made by this  
11          section shall apply to each borrower who—

12                   (1) as of the effective date of such amendments,  
13                   is repaying loans under an income-contingent repay-  
14                   ment plan under section 455(e) of the Higher Edu-  
15                   cation Act of 1965 (20 U.S.C. 1087e(e)) or an in-  
16                   come-based repayment plan under section 493C of  
17                   such Act (20 U.S.C. 1098e); or

18                   (2) on or after such effective date, selects, or is  
19                   required to repay such loan pursuant to such a re-  
20                   payment plan.

21          **SEC. 3. PUBLIC SERVICE LOAN FORGIVENESS.**

22                   Section 455(m) of the Higher Education Act of 1965  
23                   (20 U.S.C. 1087e(m)) is amended—

24                   (1) in paragraph (1)—

1 (A) in the matter preceding subparagraph  
2 (A), by striking “cancel the balance” and in-  
3 sserting “cancel, on an annual a basis for not  
4 more than 10 years, a portion of the balance”;

5 (B) in subparagraph (A), by striking  
6 “120” and inserting “12”; and

7 (C) in subparagraph (B)(ii), by striking  
8 “120” and inserting “12”; and

9 (2) by amending paragraph (2) to read as fol-  
10 lows:

11 “(2) LOAN CANCELLATION AMOUNT.—

12 “(A) IN GENERAL.—A borrower may sub-  
13 mit an application for loan cancellation under  
14 this subsection after any employment period  
15 listed in subparagraph (B), and upon a deter-  
16 mination that the borrower is eligible for such  
17 loan cancellation, the Secretary shall cancel the  
18 portion of the balance due on the principal and  
19 interest on the eligible Federal Direct Loans  
20 made to the borrower under this part for which  
21 the borrower is eligible under subparagraph  
22 (B).

23 “(B) EMPLOYMENT PERIODS.—The em-  
24 ployment periods listed in this subparagraph  
25 are as follows:

1           “(i) FIRST 12-MONTH EMPLOYMENT  
2 PERIOD.—After the conclusion of the first  
3 12-month employment period described in  
4 paragraph (1), the Secretary shall cancel 5  
5 percent of the obligation to repay the bal-  
6 ance of principal and interest due as of the  
7 time of such cancellation, on the eligible  
8 Federal Direct Loans made to the bor-  
9 rower under this part.

10           “(ii) SECOND 12-MONTH EMPLOYMENT  
11 PERIOD.—After the conclusion of the sec-  
12 ond 12-month employment period de-  
13 scribed in paragraph (1), the Secretary  
14 shall cancel 5 percent of the obligation to  
15 repay the balance of principal and interest  
16 due as of the time of such cancellation, on  
17 the eligible Federal Direct Loans made to  
18 the borrower under this part.

19           “(iii) THIRD 12-MONTH EMPLOYMENT  
20 PERIOD.—After the conclusion of the third  
21 12-month employment period described in  
22 paragraph (1), the Secretary shall cancel  
23 10 percent of the obligation to repay the  
24 balance of principal and interest due as of  
25 the time of such cancellation, on the eligi-

1 ble Federal Direct Loans made to the bor-  
2 rower under this part.

3 “(iv) FOURTH 12-MONTH EMPLOY-  
4 MENT PERIOD.—After the conclusion of  
5 the fourth 12-month employment period  
6 described in paragraph (1), the Secretary  
7 shall cancel 10 percent of the obligation to  
8 repay the balance of principal and interest  
9 due as of the time of such cancellation, on  
10 the eligible Federal Direct Loans made to  
11 the borrower under this part.

12 “(v) FIFTH 12-MONTH EMPLOYMENT  
13 PERIOD.—After the conclusion of the fifth  
14 12-month employment period described in  
15 paragraph (1), the Secretary shall cancel  
16 15 percent of the obligation to repay the  
17 balance of principal and interest due as of  
18 the time of such cancellation, on the eligi-  
19 ble Federal Direct Loans made to the bor-  
20 rower under this part.

21 “(vi) SIXTH 12-MONTH EMPLOYMENT  
22 PERIOD.—After the conclusion of the sixth  
23 12-month employment period described in  
24 paragraph (1), the Secretary shall cancel  
25 15 percent of the obligation to repay the



1 balance of principal and interest due as of  
2 the time of such cancellation, on the eligi-  
3 ble Federal Direct Loans made to the bor-  
4 rower under this part.

5 “(vii) SEVENTH 12-MONTH EMPLOY-  
6 MENT PERIOD.—After the conclusion of  
7 the seventh 12-month employment period  
8 described in paragraph (1), the Secretary  
9 shall cancel 20 percent of the obligation to  
10 repay the balance of principal and interest  
11 due as of the time of such cancellation, on  
12 the eligible Federal Direct Loans made to  
13 the borrower under this part.

14 “(viii) EIGHTH 12-MONTH EMPLOY-  
15 MENT PERIOD.—After the conclusion of  
16 the eighth 12-month employment period  
17 described in paragraph (1), the Secretary  
18 shall cancel 20 percent of the obligation to  
19 repay the balance of principal and interest  
20 due as of the time of such cancellation, on  
21 the eligible Federal Direct Loans made to  
22 the borrower under this part.

23 “(ix) NINTH 12-MONTH EMPLOYMENT  
24 PERIOD.—After the conclusion of the ninth  
25 12-month employment period described in

1 paragraph (1), the Secretary shall cancel  
2 30 percent of the obligation to repay the  
3 balance of principal and interest due as of  
4 the time of such cancellation, on the eligi-  
5 ble Federal Direct Loans made to the bor-  
6 rower under this part.

7 “(x) TENTH 12-MONTH EMPLOYMENT  
8 PERIOD.—After the conclusion of the tenth  
9 12-month employment period described in  
10 paragraph (1), the Secretary shall cancel  
11 the remaining obligation to repay the bal-  
12 ance of principal and interest due as of the  
13 time of such cancellation.”.

14 **SEC. 4. EFFECTIVE DATE.**

15 (a) IN GENERAL.—The amendments made by this  
16 Act shall take effect on a date that is 2 years after the  
17 date of enactment of this Act.

18 (b) EARLY EFFECTIVE DATE PERMITTED.—The  
19 Secretary of Education may implement the amendments  
20 made by this Act before (but not later than) the date that  
21 is 2 years after the date of enactment of this Act. The  
22 Secretary shall specify in a designation on what date, and  
23 under what conditions the Secretary will implement such  
24 amendments prior to a date that is 2 years after the date  
25 of enactment of this Act. The Secretary shall publish any

- 1 designation under this paragraph in the Federal Register
- 2 at least 60 days before implementation.

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