

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.

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

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 serting “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.

