

117TH CONGRESS
1ST SESSION

H. R. 4797

To direct the Secretary of Education to discharge up to \$50,000 of Federal student loan debt for each borrower, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2021

Mr. CARTER of Louisiana introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committees on Ways and Means, and 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 direct the Secretary of Education to discharge up to \$50,000 of Federal student loan debt for each borrower, 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 Relief
5 Act”.

6 **SEC. 2. LOAN DISCHARGE.**

7 (a) IN GENERAL.—Subject to subsection (f), not later
8 than the date that is 12 months after the date of enact-

1 ment of this Act, the Secretary of Education shall dis-
2 charge the qualified loan amount of each individual, with-
3 out regard to the repayment status of the loan or whether
4 the loan is in default.

5 (b) QUALIFIED LOAN AMOUNT.—The qualified loan
6 amount of an individual is an amount equal to the lesser
7 of—

8 (1) \$50,000; and

9 (2) the aggregate loan obligation on the eligible
10 Federal loans of the taxpayer that is outstanding on
11 the date of enactment of this Act.

12 (c) METHOD OF LOAN DISCHARGE.—

13 (1) IN GENERAL.—To provide the loan dis-
14 charge required under subsection (a), the Secretary
15 is authorized to carry out a program—

16 (A) through the holder of the loan, to as-
17 sume the obligation to repay the qualified loan
18 amount for a loan made, insured, or guaranteed
19 under part B of title IV of the Higher Edu-
20 cation Act of 1965 (20 U.S.C. 1071 et seq.);

21 (B) to cancel the qualified loan amount for
22 a loan made under part D of title IV of the
23 Higher Education Act of 1965 (20 U.S.C.
24 1087a et seq.), or assigned, referred, or trans-

1 ferred to, or purchased by, the Secretary under
2 such title IV (20 U.S.C. 1070 et seq.); and

3 (C) through the institution of higher edu-
4 cation that made the loan from its student loan
5 fund established under part E of such title (20
6 U.S.C. 1087aa et seq.), to assume the obliga-
7 tion to repay the qualified loan amount for such
8 loan.

9 (2) ORDER OF LOAN DISCHARGE.—With re-
10 spect to an individual with at least 2 eligible Federal
11 loans, the Secretary shall discharge the loans of the
12 individual as follows (except as otherwise indicated
13 by the individual):

14 (A) In the case in which the individual has
15 loans with different rates of interest, the loans
16 should be discharged in descending order by
17 rate of interest.

18 (B) In the case in which the individual has
19 loans with the same rates of interest, the loans
20 should be discharged in descending order by
21 amount of outstanding principal.

22 (d) EXCLUSION FROM TAXABLE INCOME.—For pur-
23 poses of the Internal Revenue Code of 1986, in the case
24 of an individual, gross income does not include any
25 amount which (but for this subsection) would be includible

1 in gross income by reason of the discharge (in whole or
2 in part) of any loan if such discharge was pursuant to
3 this Act.

4 (e) TAXPAYER INFORMATION.—

5 (1) IN GENERAL.—The Secretary of the Treas-
6 ury may, upon written request from the Secretary of
7 Education, disclose to officers and employees of the
8 Department of Education return information with
9 respect to a taxpayer who has received eligible Fed-
10 eral loans that are outstanding on the date of enact-
11 ment of this Act. Such return information shall be
12 limited to—

13 (A) taxpayer identity information with re-
14 spect to such taxpayer;

15 (B) the filing status of such taxpayer; and

16 (C) the adjusted gross income of such tax-
17 payer.

18 (2) RESTRICTION ON USE OF DISCLOSED IN-
19 FORMATION.—Return information disclosed under
20 paragraph (1) may be used by officers and employ-
21 ees of the Department of Education only for the
22 purposes of, and to the extent necessary in, estab-
23 lishing the appropriate qualified loan amount of a
24 taxpayer.

1 (f) LONG-TERM SETTLE AND COMPROMISE DIS-
2 CHARGE AUTHORITY.—Not later than the date that is 24
3 months after the date of enactment of this Act, the Sec-
4 retary of Education may use the authority under sections
5 432(a)(6) and 468(2) of the Higher Education Act of
6 1965 (20 U.S.C. 1082(a)(6); 1087hh(2)) to discharge
7 loans under this section beyond the period described in
8 subsection (a) for—

9 (1) an individual who, through an appeals proc-
10 ess established by the Secretary, successfully appeals
11 a loan discharge determination by the Secretary
12 under this section;

13 (2) an individual who, due to special cir-
14 cumstances, misses a deadline established by the
15 Secretary in the administration of loan discharges
16 under this section; or

17 (3) an individual (or a group of individuals)
18 who the Secretary determines should have received a
19 loan discharge or a discharge amount that is dif-
20 ferent from the amount of loan discharge received
21 under this section, except that a loan discharge
22 amount received under this subsection may not ex-
23 ceed the qualified loan amount determined for the
24 individual (or the group of individuals) under sub-
25 section (b).

1 (g) CREDIT REPORTING.—In the case of a borrower
 2 of an eligible Federal loan that was in default prior to
 3 being discharged under this section and on which, as a
 4 result of such loan discharge, there is no outstanding bal-
 5 ance of principal or interest, the Secretary, guaranty agen-
 6 cy or other holder of the loan shall request any consumer
 7 reporting agency to which the Secretary, guaranty agency
 8 or holder, as applicable, reported the default of the loan,
 9 to remove the record of the default from the borrower’s
 10 credit history.

11 (h) MEMBERS OF CONGRESS.—In this section, the
 12 terms “individual” and “taxpayer” do not include a Mem-
 13 ber of Congress.

14 **SEC. 3. AUTOMATIC ADMINISTRATIVE FORBEARANCE;**
 15 **HALTING OF WAGE GARNISHMENT.**

16 During the period beginning on the date of enactment
 17 of this Act and ending on the date that is 12 months after
 18 such date of enactment, the Secretary of Education—

19 (1) shall place each borrower of an eligible Fed-
 20 eral loan with an outstanding balance, without any
 21 further action required by the borrower (except that
 22 the borrower may opt-out of this section), on an ad-
 23 ministrative forbearance during which periodic in-
 24 stallments of principal need not be paid, and interest
 25 shall not accrue, on such loan; and

1 (2) may not issue an order for wage garnish-
2 ment or withholding under section 488A of the
3 Higher Education Act of 1965 (20 U.S.C. 1095a) or
4 section 3720D of title 31, United States Code, ini-
5 tiate proceedings to collect debt through deductions
6 from pay under such section 488A or 3720D, or en-
7 force or otherwise require compliance with a wage
8 garnishment or withholding order issued under such
9 section 488A or 3720D before the date of enactment
10 of this Act (which shall include staying any related
11 proceedings).

12 **SEC. 4. STAYING AND PROHIBITION ON COMMENCEMENT**
13 **OF ACTIONS FOR COLLECTION.**

14 Until 12 months after the date of enactment of this
15 Act, no eligible Federal loan may be referred to the Attor-
16 ney General for any action seeking collection of any
17 amount owed on that loan and any action pending as of
18 the date of enactment of this Act shall be stayed.

19 **SEC. 5. INELIGIBILITY FOR TREASURY OFFSET.**

20 Until 12 months after the date of enactment of this
21 Act, no claim pertaining to an eligible Federal loan may
22 be certified under section 3716(c)(1) of title 31, United
23 States Code.

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