

117TH CONGRESS  
1ST SESSION

# H. R. 6125

To authorize the Secretary of Education to discharge or cancel Federal student loan liability for borrowers of disaster loans under section 7(b) of the Small Business Act made on or after January 1, 2020, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 2, 2021

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

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## A BILL

To authorize the Secretary of Education to discharge or cancel Federal student loan liability for borrowers of disaster loans under section 7(b) of the Small Business Act made on or after January 1, 2020, 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 “No Double Debt for  
5       Disaster Survivors Act of 2021”.

1 **SEC. 2. TREATMENT OF LOANS FOR SBA DISASTER LOAN**  
2 **RECIPIENTS.**

3 (a) DISCHARGE FOR SBA DISASTER LOAN RECIPI-  
4 ENTS.—

5 (1) FFEL AND FEDERAL DIRECT LOANS.—Sec-  
6 tion 437 of the Higher Education Act of 1965 (20  
7 U.S.C. 1087) is amended—

8 (A) in the section header, by inserting “;  
9 **OTHER REPAYMENT**” before the period; and

10 (B) by adding at the end the following new  
11 subsection:

12 “(e) LOANS OF SBA DISASTER LOAN RECIPIENTS.—  
13 If a borrower who received a loan made, insured, or guar-  
14 anteed under this part also received, on or after January  
15 1, 2020, a loan made under section 7(b) of the Small Busi-  
16 ness Act (15 U.S.C. 636(b)), the Secretary shall discharge  
17 the borrower’s liability on the loan under this part by re-  
18 paying the lesser of—

19 “(1) the amount owed on the loan under this  
20 part; or

21 “(2) an amount owed on the loan under this  
22 part that is equal to the amount of the loan received  
23 by the borrower that is made under section 7(b) of  
24 the Small Business Act (15 U.S.C. 636(b)).”.

1           (2) PERKINS LOANS.—Section 464(c)(1)(F) of  
2     the Higher Education Act of 1965 (20 U.S.C.  
3     1087dd(c)(1)(F)) is amended—

4                   (A) by moving clauses (i) through (iv) two  
5     ems to the left;

6                   (B) by striking “or” at the end of clause  
7     (iii);

8                   (C) by inserting “or” after the semicolon  
9     in clause (iv); and

10                  (D) by adding at the end the following new  
11     clause:

12                           “(v) if the borrower received, on or  
13     after January 1, 2020, a loan made under  
14     section 7(b) of the Small Business Act (15  
15     U.S.C. 636(b)), except that the amount of  
16     liability to repay a loan that is cancelled  
17     under this clause shall not exceed the  
18     amount of the loan made under section  
19     7(b) of the Small Business Act (15 U.S.C.  
20     636(b)) that is received by the borrower;”.

21     (b) PROCEDURES FOR DISCHARGE FOR SBA DIS-  
22     ASTER LOAN RECIPIENTS.—Part G of title IV of the  
23     Higher Education Act of 1965 (20 U.S.C. 1088 et seq.)  
24     is amended by inserting after section 493D the following:

1 **“SEC. 493E. PROCEDURES FOR DISCHARGE FOR SBA DIS-**  
2 **ASTER LOAN RECIPIENTS.**

3 “(a) PROCEDURES.—The Secretary, in consultation  
4 with the Administrator of the Small Business Administra-  
5 tion, shall develop and implement a procedure to—

6 “(1) identify borrowers of loans under part B,  
7 part D, and part E of this title who have received,  
8 on or after January 1, 2020, a loan made under sec-  
9 tion 7(b) of the Small Business Act (15 U.S.C.  
10 636(b));

11 “(2) provide any certifications or affidavits  
12 needed to enable such borrowers to document eligi-  
13 bility for discharge or cancellation of student loans  
14 made, insured, or guaranteed under part B, part D,  
15 or part E of this title in accordance with section 437  
16 or section 464(c); and

17 “(3) discharge or cancel student loans made, in-  
18 sured, or guaranteed under part B, part D, and part  
19 E of this title, in accordance section 437 or section  
20 464(c), as soon as practicable after the date of en-  
21 actment of the No Double Debt for Disaster Sur-  
22 vivors Act of 2021, or, in the case of a borrower who  
23 receives a loan made under section 7(b) of the Small  
24 Business Act (15 U.S.C. 636(b)) after the date of  
25 enactment of such Act, the date on which the bor-  
26 rower receives such loan.

1 “(b) REPORTS.—

2 “(1) INITIAL REPORT.—Not later than 6  
3 months after the date of enactment of the No Dou-  
4 ble Debt for Disaster Survivors Act of 2021, the  
5 Secretary and the Administrator of the Small Busi-  
6 ness Administration jointly shall report and provide  
7 feedback to Congress on the progress made in devel-  
8 oping and implementing the procedures required  
9 under subsection (a), including how such procedures  
10 will reduce waste, fraud, and abuse.

11 “(2) ANNUAL REPORTS.—Not later than one  
12 year after the date of enactment of the No Double  
13 Debt for Disaster Survivors Act of 2021 and annu-  
14 ally thereafter, the Secretary shall report to Con-  
15 gress on—

16 “(A) the number of individuals with loans  
17 discharged under section 437(e), cancelled  
18 under section 464(c)(1)(F)(v), or both; and

19 “(B) the total dollar amount of loans dis-  
20 charged or cancelled in accordance with such  
21 sections.”.

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