

115TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Higher Education Act of 1965 in order to increase usage of the Federal student loan income-based repayment plan and improve repayment options for borrowers, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

Mr. MERKLEY (for himself, Ms. STABENOW, Mrs. GILLIBRAND, Ms. BALDWIN, Mr. BLUMENTHAL, Mr. SCHATZ, Mr. CARDIN, and Ms. CORTEZ MASTO) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

**A BILL**

To amend the Higher Education Act of 1965 in order to increase usage of the Federal student loan income-based repayment plan and improve repayment options for borrowers, 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 “Affordable Loans for Any Student Act”.

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

- Sec. 1. Short title; table of contents.  
 Sec. 2. References in Act.

#### TITLE I—SIMPLIFYING REPAYMENT PLANS

- Sec. 101. Income-based repayment plan.  
 Sec. 102. Fixed repayment plan.  
 Sec. 103. Termination of certain repayment plan options.  
 Sec. 104. Providing incentives to switch into simplified repayment plans.  
 Sec. 105. Automatic recertification of income.  
 Sec. 106. Disclosure of tax return information to carry out certain higher education loan programs.  
 Sec. 107. Study and procedures on determining family size.

#### TITLE II—ENDING INTEREST CAPITALIZATION AND ORIGINATION FEES

- Sec. 201. Ending interest capitalization for Federal Direct Loans.  
 Sec. 202. Elimination of origination fees for Federal Direct Loans.

#### TITLE III—PROVIDING ASSISTANCE IN SITUATIONS OF BORROWER DISTRESS

- Sec. 301. Limits on seizing income for debt relating to direct loans.  
 Sec. 302. Allowing for multiple loan rehabilitations.  
 Sec. 303. Pause payment process.  
 Sec. 304. Automatic enrollment into income-based repayment for borrowers who are delinquent on loans and for borrowers who rehabilitate defaulted loans.  
 Sec. 305. Separating joint consolidation loans.  
 Sec. 306. Removing the collection cost requirement.

#### TITLE IV—IMPROVING LOAN INFORMATION AND COUNSELING

- Sec. 401. Student loan contract; simplifying loan disclosures.  
 Sec. 402. Annual and pre-loan information and counseling requirements.  
 Sec. 403. Exit counseling.  
 Sec. 404. Online counseling tools.  
 Sec. 405. Private education loan certification and information.

#### TITLE V—EFFECTIVE DATE; TRANSITION

- Sec. 501. Effective date; rulemaking regarding termination of certain repayment plans.

### 1 **SEC. 2. REFERENCES IN ACT.**

2       Except as otherwise expressly provided in this Act,  
 3 wherever an amendment or repeal is expressed in terms  
 4 of an amendment to or repeal of a section or other provi-  
 5 sion, the reference shall be considered to be made to that

1 section or other provision of the Higher Education Act of  
2 1965 (20 U.S.C. 1001 et seq.).

3 **TITLE I—SIMPLIFYING**  
4 **REPAYMENT PLANS**

5 **SEC. 101. INCOME-BASED REPAYMENT PLAN.**

6 (a) SIMPLIFYING THE INCOME-BASED REPAYMENT  
7 PLAN.—Section 493C (20 U.S.C. 1098e) is amended—

8 (1) in subsection (b)—

9 (A) by striking “ INCOME-BASED REPAY-  
10 MENT PROGRAM AUTHORIZED.—” and insert-  
11 ing the following: “INCOME-BASED REPAYMENT  
12 PROGRAM FOR BORROWERS WHO ENTER IN-  
13 COME-BASED REPAYMENT BEFORE JULY 1,  
14 2019.—”;

15 (B) in paragraph (3)(A), by striking “ex-  
16 cept that” and all that follows through “section  
17 435(o)”;

18 (C) in paragraph (8), by striking “the  
19 standard repayment plan; and” and inserting  
20 “the fixed repayment plan under section  
21 493E;”;

22 (D) in paragraph (9), by striking the pe-  
23 riod at the end and inserting “; and”; and

24 (E) by adding at the end the following:

1           “(10) a borrower who is repaying a loan made  
2           under part B or D pursuant to income-based repay-  
3           ment may repay such loan in full at any time with-  
4           out penalty.”; and

5           (2) by striking subsection (c) and inserting the  
6           following:

7           “(c) INCOME-BASED REPAYMENT PROGRAM FOR  
8           NEW LOANS ON AND AFTER JULY 1, 2019 AND FOR BOR-  
9           ROWERS WHO ENTER INCOME-BASED REPAYMENT  
10          AFTER JULY 1, 2019.—

11          “(1) IN GENERAL.—Notwithstanding any other  
12          provision of this section, the provisions of this sub-  
13          section shall apply—

14                 “(A) with respect to any loan made, in-  
15                 sured, or guaranteed under part B or D on or  
16                 after July 1, 2019, for which the borrower  
17                 elects the income-based repayment plan under  
18                 this section; and

19                 “(B) with respect to any loan made, in-  
20                 sured, or guaranteed under part B or D before  
21                 July 1, 2019, if such borrower elects to repay  
22                 the loan under the income-based repayment  
23                 plan on or after July 1, 2019, in accordance  
24                 with paragraph (3) and section 428(b)(1)(D)(ii)  
25                 or 455(d)(7), as applicable.

1           “(2) SPECIAL TERMS.—With respect to a loan  
2 described in paragraph (1), the following terms shall  
3 apply to the income-based repayment plan carried  
4 out under this section:

5           “(A)(i) Notwithstanding subsection  
6 (a)(3)(B), (b), or (e)—

7           “(I) the annual repayment amount  
8 under this subsection shall be an amount  
9 equal to 10 percent of the result obtained  
10 by calculating, on at least an annual basis,  
11 the amount by which—

12           “(aa) the borrower’s, and the  
13 borrower’s spouse’s (if applicable), ad-  
14 justed gross income; exceeds

15           “(bb) the applicable percentage  
16 of the poverty line in accordance with  
17 clause (ii) that is applicable to the  
18 borrower’s family size as determined  
19 under section 673(2) of the Commu-  
20 nity Services Block Grant Act (42  
21 U.S.C. 9902(2)); and

22           “(II) a borrower’s monthly payment  
23 shall be determined in accordance with  
24 subclause (I) divided by 12, which amount  
25 may exceed the monthly repayment

1 amount under a standard 10-year repay-  
2 ment plan or a fixed repayment plan de-  
3 scribed in section 493E.

4 “(ii) For purposes of clause (i), the term  
5 ‘applicable percentage’ means 250 percent re-  
6 duced by 5 percentage points for each \$1,000  
7 by which the borrower’s adjusted gross income  
8 exceeds \$120,000.

9 “(B) Notwithstanding subsection (e)(2),  
10 subsection (b)(7)(B) shall be applied by sub-  
11 stituting ‘20 years’ for ‘25 years’.

12 “(C) Notwithstanding subparagraph (A) of  
13 subsection (b)(6), a borrower of such a loan  
14 shall not be required to have a partial financial  
15 hardship and may elect, and remain enrolled in,  
16 the income-based repayment plan under this  
17 section regardless of income level, with the re-  
18 payment amount calculated under subpara-  
19 graph (A).

20 “(D) Notwithstanding subsection (b), a  
21 borrower of an excepted PLUS loan or excepted  
22 consolidation loan may elect the income-based  
23 repayment plan under this subsection for the  
24 excepted PLUS loan or excepted consolidation  
25 loan, and the Secretary shall treat such loan as

1 a Federal Direct PLUS Loan issued to a stu-  
2 dent borrower. The Secretary may issue rules  
3 and regulations, as the Secretary determines  
4 necessary, regarding the treatment of excepted  
5 PLUS loans or excepted consolidation loans  
6 that are to be repaid under an income-based re-  
7 payment plan under this subsection.

8 “(3) RULE FOR BORROWERS IN INCOME-BASED  
9 REPAYMENT BEFORE JULY 1, 2019.—A borrower of  
10 a loan made, insured, or guaranteed under part B  
11 or D who enrolled in the income-based repayment  
12 plan under subsection (b), as such plan was in effect  
13 on July 1, 2019, may choose to retain such repay-  
14 ment plan or elect to enter an income-based repay-  
15 ment plan under this subsection or a fixed repay-  
16 ment plan described in section 493E, as provided in  
17 section 428(b)(1)(D)(ii) or 455(d)(7) (as applicable).

18 “(4) INTEREST PAYMENTS AND ACCRUAL.—  
19 Notwithstanding any other provision of this Act, if  
20 a borrower’s monthly payment for a loan under an  
21 income-based repayment plan under this subsection  
22 is insufficient to pay the accrued interest on the bor-  
23 rower’s loan for such month—

24 “(A) in the case of a subsidized loan (in-  
25 cluding the portion of a consolidated loan that

1 is a subsidized loan), any interest due and not  
2 paid under subsection (b)(2) on the subsidized  
3 loan for that month shall be paid or forgiven by  
4 the Secretary, except that a borrower of a sub-  
5 sidized loan shall only receive the benefits of  
6 this subparagraph for such loan for 36 months  
7 of payments under the income-based repayment  
8 plan; and

9 “(B) in the case of an unsubsidized loan or  
10 a subsidized loan that no longer qualifies under  
11 subparagraph (A), 50 percent of the interest  
12 not covered by the borrower’s monthly payment  
13 shall be paid or forgiven by the Secretary and  
14 the amount of the remaining interest shall be  
15 added to the balance of interest due on the  
16 loan, but shall not capitalized.

17 “(5) WRITTEN, ELECTRONIC, OR VERBAL EN-  
18 ROLLMENT IN INCOME-BASED REPAYMENT.—

19 “(A) IN GENERAL.—A borrower of a loan  
20 made under this part may elect to repay such  
21 loan under the income-based repayment plan  
22 under this subsection by providing written, elec-  
23 tronic, or verbal notice to the Secretary of the  
24 borrower’s desire to make such election, subject  
25 to subparagraph (C).



1 “(B) USE OF INFORMATION.—

2 “(i) IN GENERAL.—The estimated  
3 monthly payment amount under this sec-  
4 tion for a loan for a borrower who makes  
5 an election described in subparagraph (A)  
6 shall be immediately calculated using the  
7 income and family size information pro-  
8 vided through the borrower’s written, elec-  
9 tronic, or verbal statement.

10 “(ii) VERIFICATION.—The informa-  
11 tion described in clause (i) shall be verified  
12 by the Secretary not later than 90 days  
13 after the date the borrower states such in-  
14 come and family size information. If the  
15 Secretary is unable to verify the informa-  
16 tion by the end of the 90-day period, the  
17 borrower’s payment will be deemed to be  
18 the amount applicable under the fixed re-  
19 payment plan under section 493E.

20 “(iii) ADJUSTMENT IF NECESSARY.—  
21 Upon verification by the Secretary under  
22 clause (ii), the Secretary shall adjust the  
23 estimated monthly payment described in  
24 clause (i) based on the verified income and  
25 family size information of the borrower, if

1           necessary. Any adjusted monthly payment  
2           shall take effect beginning with the pay-  
3           ment due not less than 60 days after the  
4           Secretary notifies the borrower of the ad-  
5           justed amount.

6           “(C) LIMITATION.—The Secretary shall  
7           permit a borrower to make an election of in-  
8           come-based repayment in the written, elec-  
9           tronic, or verbal manner described in subpara-  
10          graph (A) only in connection with the first in-  
11          stance of each of the following:

12                   “(i) The borrower’s selection of a re-  
13                   payment plan during the grace period for  
14                   such loan.

15                   “(ii) The borrower changing from the  
16                   fixed repayment plan under section 493E  
17                   to income-based repayment.

18                   “(iii) The borrower’s failure to com-  
19                   plete the verification process described in  
20                   subparagraph (B)(ii).

21                   “(iv) The borrower’s failure to recer-  
22                   tify enrollment in income-based repayment  
23                   under this subsection.”.

1 (b) INCLUDING INCOME OF SPOUSES.—Subsection  
2 (d) of section 493C (20 U.S.C. 1098e(d)) is amended to  
3 read as follows:

4 “(d) CALCULATION OF ADJUSTED GROSS INCOME  
5 FOR MARRIED BORROWERS.—The Secretary shall cal-  
6 culate the adjusted gross income of a married borrower  
7 under this section—

8 “(1) in the case of a married borrower and  
9 spouse who jointly file a Federal income tax return,  
10 based on the adjusted gross income of the borrower  
11 and spouse as reported on the Federal income tax  
12 return; and

13 “(2) in the case of a married borrower who files  
14 a Federal income tax return separately from the  
15 borrower’s spouse, based on the sum of the adjusted  
16 gross income of the borrower and the spouse, as re-  
17 ported on the applicable Federal income tax returns,  
18 unless the borrower certifies, on a form approved by  
19 the Secretary, that the borrower is—

20 “(A) separated from the borrower’s spouse;

21 or

22 “(B) unable to reasonably access the in-  
23 come information of the borrower’s spouse.”.

1 **SEC. 102. FIXED REPAYMENT PLAN.**

2 Part G of title IV (20 U.S.C. 1088 et seq.) is amend-  
3 ed by adding at the end the following:

4 **“SEC. 493E. FIXED REPAYMENT PLAN.**

5 “(a) IN GENERAL.—A borrower of a loan made under  
6 part D on or after July 1, 2019, and a borrower who is  
7 in repayment on a loan made, insured, or guaranteed  
8 under part B or D before July 1, 2019, may elect to repay  
9 such loan under the fixed repayment plan described in this  
10 section.

11 “(b) FIXED REPAYMENT PLAN.—Under the fixed re-  
12 payment plan, a borrower shall repay each loan described  
13 in subsection (a) with a fixed monthly repayment amount  
14 paid over a period of 10 years, subject to subsection (c).

15 “(c) SPECIAL RULES.—

16 “(1) MINIMUM.—If a borrower’s monthly pay-  
17 ment under this section (except for the final pay-  
18 ment on the loan) is less than \$25, the Secretary  
19 shall establish the borrower’s monthly payment as  
20 \$25.

21 “(2) ALTERNATIVE MINIMUM PAYMENTS.—Not-  
22 withstanding paragraph (1), the Secretary may ac-  
23 cept an alternative minimum payment amount,  
24 which may include an amount of less than \$25, to  
25 account for a borrower’s exceptional cir-  
26 cumstances.”.

1 **SEC. 103. TERMINATION OF CERTAIN REPAYMENT PLAN**  
2 **OPTIONS.**

3 (a) FFEL PROGRAM REPAYMENT PLAN OPTIONS.—

4 Section 428(b) (20 U.S.C. 1078(b)) is amended—

5 (1) in paragraph (1)—

6 (A) in subparagraph (D)—

7 (i) in clause (ii), by striking “may an-  
8 nually change the selection of a repayment  
9 plan under this part,” and inserting “may  
10 at any time after July 1, 2019, and then  
11 not more than once per calendar year  
12 thereafter, change the selection of a repay-  
13 ment plan under this part or part G to one  
14 of the 2 repayment plans described in  
15 paragraph (9)(C),”; and

16 (ii) in clause (iii), by inserting “or, in  
17 the case of a default that occurs after July  
18 1, 2019, be subject to income-based repay-  
19 ment in accordance with section 493C(c)”  
20 before the semicolon at the end;

21 (B) in subparagraph (E)(i), by striking  
22 “the option of repaying the loan in accordance  
23 with a standard, graduated, income-sensitive, or  
24 extended repayment schedule (as described in  
25 paragraph (9)) established by the lender in ac-  
26 cordance with regulations of the Secretary;

1 and” and inserting “the option of repaying the  
2 loan in accordance with an applicable repay-  
3 ment plan described in paragraph (9)(C)”;

4 (C) by striking subparagraph (L);

5 (2) in paragraph (9)—

6 (A) in subparagraph (A)—

7 (i) in the subparagraph heading, by  
8 inserting “BEFORE JULY 1, 2019” after  
9 “SELECTION”; and

10 (ii) in the matter preceding clause

11 (i)—

12 (I) by inserting “or subparagraph  
13 (C), as applicable,” after “this sub-  
14 paragraph”; and

15 (II) by striking “The borrower”  
16 and inserting “Before July 1, 2019,  
17 the borrower”;

18 (B) in subparagraph (B), by inserting be-  
19 fore the period at the end “or, for a borrower  
20 entering repayment after July 1, 2019, the  
21 lender shall provide the borrower with the fixed  
22 repayment plan described in section 493E”;  
23 and

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

1           “(C) SELECTION OF REPAYMENT PLANS  
2           ON AND AFTER JULY 1, 2019.—Notwithstanding  
3           any other provision of law, and in accordance  
4           with regulations, beginning on July 1, 2019, a  
5           lender shall offer a borrower of a loan made, in-  
6           sured, or guaranteed under this part the oppor-  
7           tunity to change repayment plans at any time  
8           after July 1, 2019, and then not more than  
9           once per calendar year thereafter. The borrower  
10          may choose between the following repayment  
11          plans:

12                         “(i) A fixed repayment plan described  
13                         in section 493E.

14                         “(ii) The income-based repayment  
15                         plan under section 493C(e).”.

16          (b) FEDERAL DIRECT LOAN PROGRAM REPAYMENT  
17          PLAN OPTIONS.—Section 455(d) (20 U.S.C. 1087e(d)) is  
18          amended—

19                         (1) by redesignating paragraphs (2) through  
20                         (5) as paragraphs (3) through (6), respectively;

21                         (2) in paragraph (1)—

22                                 (A) in the paragraph heading, by inserting  
23                                 “BEFORE JULY 1, 2019” after “SELECTION”;  
24                                 and

1 (B) in the matter preceding subparagraph  
2 (A), by inserting “that enters repayment before  
3 July 1, 2019,” before “a variety”;

4 (3) by inserting after paragraph (1) the fol-  
5 lowing:

6 “(2) DESIGN AND SELECTION BEGINNING JULY  
7 1, 2019.—

8 “(A) IN GENERAL.—Notwithstanding para-  
9 graph (1), for any borrower of a loan made  
10 under this part that enters repayment on or  
11 after July 1, 2019, and for any borrower sub-  
12 ject to paragraph (7), the Secretary shall offer  
13 the borrower a choice between the following 2  
14 plans for repayment of such loan, including  
15 principal and interest on the loan. The borrower  
16 may choose—

17 “(i) a fixed repayment plan described  
18 in section 493E; or

19 “(ii) an income-based repayment plan  
20 under section 493C(c).

21 “(B) ACCELERATION.—A borrower in re-  
22 payment shall be entitled to accelerate, without  
23 penalty, repayment on the borrower’s loans  
24 under this part.



1           “(C) SELECTION BY THE SECRETARY.—If  
2 a borrower of a loan made under this part that  
3 enters repayment on or after July 1, 2019, does  
4 not select a repayment plan described in sub-  
5 paragraph (A) before the first payment on such  
6 loan is due, the Secretary shall provide the bor-  
7 rower with a fixed repayment plan described in  
8 section 493E.

9           “(D) CHANGES IN SELECTIONS.—A bor-  
10 rower of a loan made under this part that en-  
11 ters repayment or on after July 1, 2019, may  
12 change the borrower’s selection of a repayment  
13 plan in accordance with subparagraphs (B) and  
14 (C) of paragraph (7).

15           “(E) BORROWER IN DEFAULT.—Beginning  
16 on July 1, 2019, in lieu of the requirements of  
17 paragraph (6), the Secretary may require any  
18 borrower who has defaulted on a loan made  
19 under this part on or after July 1, 2019, to  
20 repay the loan pursuant to an income-based re-  
21 payment plan under section 493C(c).”; and  
22 (4) by adding at the end the following:

23           “(7) BORROWERS OF LOANS MADE BEFORE  
24 JULY 1, 2019.—A borrower who is in repayment on  
25 a loan made under this part before July 1, 2019—

1           “(A) may choose to retain the repayment  
2 plan that the borrower was enrolled in on the  
3 day before such date;

4           “(B) may elect to—

5                 “(i) enter an income-based repayment  
6 plan under section 493C(e);

7                 “(ii) enter a fixed repayment plan de-  
8 scribed in section 493E; or

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

12           “(C) after switching to a repayment plan  
13 described in clause (i) or (ii) of subparagraph  
14 (B), shall not be permitted to select a repay-  
15 ment plan not described in subparagraph (B)  
16 for the loan; and

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

24           (c)           CONFORMING           AMENDMENT.—Section  
25 433(b)(7)(B) (20 U.S.C. 1083(b)(7)(B)) is amended by

1 striking “on a standard repayment plan” and inserting “,  
2 in the case of a borrower who has not selected a repayment  
3 plan, on the repayment plan designated under subpara-  
4 graph (B) of section 428(b)(9)”.

5 **SEC. 104. PROVIDING INCENTIVES TO SWITCH INTO SIM-**  
6 **PLIFIED REPAYMENT PLANS.**

7 (a) ENABLING CONSOLIDATION IN ORDER TO SIM-  
8 PLIFY REPAYMENT.—Section 455(g) (20 U.S.C.  
9 1087e(g)) is amended—

10 (1) by striking “LOANS.—” and all that follows  
11 through “A borrower of” and inserting the following:  
12 LOANS.—

13 “(1) IN GENERAL.—A borrower of”;

14 (2) by striking the second sentence; and

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

16 “(2) ELIGIBILITY.—To be eligible for a Federal  
17 Direct Consolidation Loan under this part, a bor-  
18 rower shall meet the eligibility criteria set forth in  
19 section 428C(a)(3), except that, notwithstanding  
20 section 428C(a)(3)(B), a borrower may obtain a  
21 Federal Direct Consolidation Loan if the borrower—

22 “(A) obtains the Federal Direct Consolida-  
23 tion Loan for the purpose of—

24 “(i) selecting the income-based repay-  
25 ment plan under section 493C(c) or fixed-

1 income repayment plan under section  
2 495E ; or

3 “(ii) in the case of a borrower with 1  
4 or more loans under part B, participating  
5 in the pause payment process under sec-  
6 tion 460B; and

7 “(B) meets the requirements of section  
8 428C(a)(3)(A).”.

9 (b) INCENTIVES FOR SIMPLIFIED REPAYMENT  
10 PLANS.—Part G of title IV (20 U.S.C. 1088 et seq.), as  
11 amended by section 102, is further amended by adding  
12 at the end the following:

13 **“SEC. 493F. INCENTIVES FOR SIMPLIFIED REPAYMENT**  
14 **PLANS.**

15 “(a) IN GENERAL.—To facilitate the transition of  
16 borrowers to simplified repayment plan options, the Sec-  
17 retary shall reduce the interest rate applicable under sec-  
18 tion 455(b) or 427A to a loan under part B or D held  
19 by a borrower as of July 1, 2019 by 100 basis points (or  
20 the equivalent), if the borrower of the loan, after the date  
21 of enactment of the Affordable Loans for Any Student  
22 Act—

23 “(1) changes from a repayment plan described  
24 in subparagraphs (A) through (E) of section  
25 455(d)(1) for such loan to an income-based repay-

1       ment plan under section 493C(c) or a fixed repay-  
2       ment plan under section 493E; or

3           “(2) consolidates 1 or more loans under this  
4       title, or described in section 428C(a)(4), that were  
5       under a repayment plan described in subparagraphs  
6       (A) through (E) of section 455(d)(1), or clauses (i)  
7       through (v) of section 428(b)(9), into a Federal Di-  
8       rect Consolidation Loan and selects an income-based  
9       repayment plan under section 493C(c) or a fixed re-  
10      payment plan under section 493E for the loan.

11      “(b) LIMITATION.—The interest rate for a loan eligi-  
12     ble for the incentive under subsection (a) may be reduced  
13     only once under this section.

14      “(c) REGULATIONS.—The Secretary shall promulgate  
15     rules carrying out the incentive program established under  
16     this section.”.

17     **SEC. 105. AUTOMATIC RECERTIFICATION OF INCOME.**

18      (a) INCOME-BASED REPAYMENT.—Section 493C of  
19     the Higher Education Act of 1965 (20 U.S.C. 1098e) is  
20     amended by adding at the end the following:

21      “(f) ELIGIBILITY DETERMINATIONS AND AUTOMATIC  
22     RECERTIFICATION.—

23           “(1) IN GENERAL.—Beginning as soon as the  
24     Secretary determines practicable after the Secretary  
25     finalizes the procedures under section 107 of the Af-

1       fordable Loans for Any Student Act, the Secretary  
2       shall establish and implement, with respect to any  
3       borrower described in paragraph (2), procedures  
4       to—

5               “(A) obtain (for each year of repayment  
6               and without further action by the borrower)  
7               such information as is reasonably necessary re-  
8               garding the income of such borrower (and the  
9               borrower’s spouse, if applicable), for the pur-  
10              pose of determining the repayment obligation of  
11              the borrower for such year, including informa-  
12              tion with respect to the borrower’s family size  
13              in accordance with the procedures under such  
14              section 107, subject to subparagraph (B);

15              “(B) allow the borrower, at any time, to  
16              opt out of subparagraph (A) and prevent the  
17              Secretary from obtaining information under  
18              such subparagraph without further action by  
19              the borrower;

20              “(C) provide the borrower with an oppor-  
21              tunity to update the information obtained under  
22              subparagraph (A) before the determination of  
23              the annual repayment obligation of the bor-  
24              rower; and

1           “(D) in the case of a borrower for whom  
2           adjusted gross income is unavailable (except as  
3           provided in paragraph (2)(B)), ensure that the  
4           borrower will not be required to provide the  
5           Secretary with other documentation of income  
6           and provide the borrower with a calculated  
7           monthly payment of \$0.

8           “(2) APPLICABILITY.—

9           “(A) IN GENERAL.—Paragraph (1) shall  
10          apply to each borrower of a loan made under  
11          this part who, on or after the date on which the  
12          Secretary establishes procedures under such  
13          paragraph—

14                 “(i) selects, or for whom the Secretary  
15                 selected under subparagraphs (C) or (D)  
16                 of paragraph (8), or paragraph (9), of sub-  
17                 section (d), or section 428(m)(1), an in-  
18                 come-based repayment plan; or

19                 “(ii) recertifies income and family size  
20                 under such plan.

21           “(B) ELIGIBILITY EXCEPTION.—A bor-  
22          rower for whom adjusted gross income is un-  
23          available because the borrower has been granted  
24          an extension on filing the borrower’s income  
25          taxes or is undergoing an audit or examination

1           by the Internal Revenue Service shall not auto-  
2           matically be eligible for the calculated monthly  
3           payment of \$0 in accordance with paragraph  
4           (1)(D) during such period. When the extension,  
5           audit, or examination is completed, the Sec-  
6           retary shall resume consideration of the bor-  
7           rower for automatic recertification under the  
8           procedures described in paragraph (1), includ-  
9           ing subparagraph (D) of such paragraph (if ap-  
10          plicable).

11           “(3) AVAILABILITY OF RETURNS AND RETURN  
12          INFORMATION.—Returns and return information (as  
13          defined in section 6103 of the Internal Revenue  
14          Code of 1986) may be obtained under paragraph  
15          (1)(A) only to the extent authorized by section  
16          6103(l)(13) of such Code.”.

17          (b) INCOME-CONTINGENT REPAYMENT.—Section  
18          455(e) of the Higher Education Act of 1965 (20 U.S.C.  
19          1087e(e)) is amended—

20                 (1) in paragraph (3), by inserting “, consistent  
21                 with the procedures established under paragraph  
22                 (8)(B)(iv)” before the period at the end; and

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

24                 “(8) AUTOMATIC RECERTIFICATION.—



1           “(A) IN GENERAL.—Beginning as soon as  
2           the Secretary determines practicable after the  
3           Secretary finalizes the procedures under section  
4           107 of the Affordable Loans for Any Student  
5           Act, the Secretary shall establish and imple-  
6           ment procedures that allow the automatic recer-  
7           tification of income with respect to borrowers  
8           described in subparagraph (B). Such proce-  
9           dures shall, to the extent practicable, be the  
10          same procedures described in section 493C(f).

11          “(B) APPLICABILITY.—Subparagraph (A)  
12          shall apply to each borrower of a loan made  
13          under this part—

14                 “(i) who, on or after the date on  
15                 which the Secretary establishes procedures  
16                 under such subparagraph, recertifies in-  
17                 come and family size under such plan; or

18                 “(ii) for whom the Secretary selected  
19                 an income-contingent repayment plan  
20                 under section 428(m)(1).

21          “(C) AVAILABILITY OF RETURNS AND RE-  
22          TURN INFORMATION.—Returns and return in-  
23          formation (as defined in section 6103 of the In-  
24          ternal Revenue Code of 1986) may be obtained

1 under subparagraph (A) only to the extent au-  
2 thorized by section 6103(l)(13) of such Code.

3 “(D) OTHER REQUIREMENTS.—The proce-  
4 dures established by the Secretary under this  
5 paragraph shall be consistent with the require-  
6 ments of paragraphs (1) through (7), except as  
7 otherwise provided in this paragraph.”.

8 **SEC. 106. DISCLOSURE OF TAX RETURN INFORMATION TO**  
9 **CARRY OUT CERTAIN HIGHER EDUCATION**  
10 **LOAN PROGRAMS.**

11 (a) IN GENERAL.—Paragraph (13) of section 6103(l)  
12 of the Internal Revenue Code of 1986 is amended to read  
13 as follows:

14 “(13) DISCLOSURE OF RETURNS AND RETURN  
15 INFORMATION FOR PURPOSES OF STUDENT LOAN  
16 ADMINISTRATION.—

17 “(A) IN GENERAL.—The Secretary, subject  
18 to such requirements and conditions as the Sec-  
19 retary may prescribe, shall upon written request  
20 from the Secretary of Education disclose to offi-  
21 cers and employees of the Department of Edu-  
22 cation returns and return information with re-  
23 spect to a taxpayer who has received an appli-  
24 cable student loan.

1           “(B) RESTRICTION ON USE OF DISCLOSED  
2 INFORMATION.—Return information disclosed  
3 under subparagraph (A) may be used by offi-  
4 cers and employees of the Department of Edu-  
5 cation only for the purposes of, and to the ex-  
6 tent necessary for purposes of—

7                   “(i) establishing the appropriate in-  
8 come-contingent repayment amount in con-  
9 nection with an applicable student loan;

10                   “(ii) establishing the appropriate re-  
11 payment amount under an applicable in-  
12 come-driven repayment plan in connection  
13 with an applicable student loan for—

14                   “(I) borrowers who have selected  
15 such a plan; and

16                   “(II) in the case of any recertifi-  
17 cation under section 455(e)(8) or  
18 493C(f)(1)(A) of the Higher Edu-  
19 cation Act of 1965 (20 U.S.C.  
20 1087e(e)); 1098e(f), borrowers who  
21 are enrolled in such a plan;

22                   “(iii) in the case of borrowers who are  
23 at least 60 days delinquent on an applica-  
24 ble student loan—

1                   “(I) providing notice of eligibility  
2                   for an income-based repayment plan  
3                   pursuant to section 455(d)(9)(B) of  
4                   the Higher Education Act of 1965 (20  
5                   U.S.C. 1087e(d)); and

6                   “(II) automatic enrollment in an  
7                   income-based repayment plan after  
8                   such borrowers are at least 120 days  
9                   delinquent on such a loan pursuant to  
10                  section 455(d)(9)(C) of such Act (20  
11                  U.S.C. 1087e(d)(8)(C)); and

12                  “(iv) in the case of borrowers who are  
13                  rehabilitating defaulted loans, providing  
14                  notice of eligibility for an income-based re-  
15                  payment plan and automatic enrollment in  
16                  such a plan pursuant to section 455(d)(10)  
17                  of the Higher Education Act of 1965 (20  
18                  U.S.C. 1087e(d)).

19                  “(C) DISCLOSURE TO CERTAIN CONTRAC-  
20                  TORS.—Officers and employees of the Depart-  
21                  ment of Education may disclose the information  
22                  described in subparagraph (A) to persons  
23                  awarded contracts by the Secretary of Edu-  
24                  cation under section 456 of the Higher Edu-  
25                  cation Act of 1965 (20 U.S.C. 1087f) to the ex-

1           tent necessary for the purposes described in  
2           subparagraph (B).

3           “(D) SPOUSAL INFORMATION FOR MAR-  
4           RIED INDIVIDUALS FILING SEPARATE RE-  
5           TURNS.—For purposes of this paragraph, in the  
6           case of a married individual filing a separate re-  
7           turn, the term ‘taxpayer’ includes the spouse of  
8           that individual if the Secretary of Education re-  
9           quests information from the spouse of that indi-  
10          vidual.

11          “(E) APPLICABLE STUDENT LOAN.—

12           “(i) IN GENERAL.—For purposes of  
13           this paragraph, the term ‘applicable stu-  
14           dent loan’ means—

15           “(I) any loan which is made, in-  
16           sured, or guaranteed under a program  
17           authorized under part B or D of title  
18           IV of the Higher Education Act of  
19           1965 (20 U.S.C. 1071 et seq.; 1087a  
20           et seq.); and

21           “(II) any loan which is made  
22           under part E of such title IV (20  
23           U.S.C. 1087aa et seq.) which is in de-  
24           fault and has been assigned to the  
25           Department of Education.

1                   “(ii) EXCEPTION.—For purposes of  
2                   subparagraph (B)(iv), the term ‘applicable  
3                   student loan’ shall not include any loan  
4                   made, insured, or guaranteed under part B  
5                   of title IV of the Higher Education Act of  
6                   1965 (20 U.S.C. 1071 et seq.) unless such  
7                   loan is in default and has been assigned to  
8                   the Department of Education.

9                   “(F) INCOME-DRIVEN REPAYMENT PLAN  
10                  AND INCOME-BASED REPAYMENT PLAN.—For  
11                  purposes of this paragraph—

12                   “(i) the term ‘income-based repay-  
13                   ment plan’ means an income-based repay-  
14                   ment plan described in section 493C of  
15                   such Act (20 U.S.C. 1098e); and

16                   “(ii) the term ‘income-driven repay-  
17                   ment plan’ means—

18                   “(I) an income-contingent repay-  
19                   ment plan described in section  
20                   455(d)(1)(E) of the Higher Education  
21                   Act of 1965 (20 U.S.C.  
22                   1087e(d)(1)(E)); or

23                   “(II) an income-based repayment  
24                   plan.”.

25                  (b) CONFORMING AMENDMENTS.—

1           (1) Section 6103(a)(3) of such Code is amended  
2           by inserting “(13),” after “(12),”.

3           (2) Section 6103(p)(4) of such Code is amend-  
4           ed—

5                   (A) by inserting “(13),” after “(l)(10),”  
6           each place it occurs; and

7                   (B) by inserting “(13),” after “(10),” in  
8           the third sentence thereof.

9           (c) EFFECTIVE DATE.—The amendments made by  
10          this section shall apply to disclosures made after the date  
11          of enactment of this Act.

12       **SEC. 107. STUDY AND PROCEDURES ON DETERMINING FAM-**  
13                               **ILY SIZE.**

14          (a) IN GENERAL.—The Secretary of Education, act-  
15          ing jointly with the Secretary of the Treasury, shall—

16               (1) not later than 1 year after the date of en-  
17          actment of this Act, publish, in the Federal Register,  
18          notice of the Secretary’s intent to conduct a study  
19          on the effect of using data from the Internal Rev-  
20          enue Service such as personal exemptions, filing sta-  
21          tus, or child tax credits, as proxies for family size  
22          in an income-driven repayment plan, and invite pub-  
23          lic comment regarding the study;

24               (2) after reviewing any public comments pro-  
25          vided under paragraph (1), conduct the study and

1 publish the results of the study in the Federal Reg-  
2 ister;

3 (3) use the results of the study conducted under  
4 paragraph (1) to develop procedures for determining  
5 family size for the automatic recertification of in-  
6 come for an income-driven repayment plan in a man-  
7 ner that minimizes burdens and unintended harm to  
8 borrowers;

9 (4) publish the procedures developed under  
10 paragraph (3) in the Federal Register; and

11 (5) after a notice and comment period on such  
12 procedures, use such comments to finalize the proce-  
13 dures.

14 (b) SPECIFICATIONS.—The study conducted under  
15 subsection (a) shall—

16 (1) be completed, with the results published  
17 pursuant to subsection (a)(2), not later than 3 years  
18 after the date of enactment of this Act;

19 (2) determine how closely personal exemptions,  
20 filing status, or child tax credits match the family  
21 size that borrowers report on their income-driven re-  
22 payment plan request form;

23 (3) compare the borrower's actual monthly pay-  
24 ment amount with the monthly payment amount



1 borrowers would have using family size information  
2 derived from tax returns;

3 (4) include data from tax year 2018 or later tax  
4 years; and

5 (5) use data from more than one year, where  
6 possible, to analyze how much family size changes  
7 over time.

8 (c) DEFINITION.—The term “income-driven repay-  
9 ment plan” has the meaning given the term in section  
10 6103(l)(13)(F) of the Internal Revenue Code of 1986, as  
11 amended by section 106.

12 **TITLE II—ENDING INTEREST**  
13 **CAPITALIZATION AND ORIGI-**  
14 **NATION FEES**

15 **SEC. 201. ENDING INTEREST CAPITALIZATION FOR FED-**  
16 **ERAL DIRECT LOANS.**

17 (a) IN GENERAL.—Section 455 (20 U.S.C. 1087e) is  
18 amended—

19 (1) in subsection (b)—

20 (A) in the subsection heading, by inserting  
21 “AND PRACTICES” after “RATE”; and

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

23 “(11) INTEREST PRACTICES.—

24 “(A) IN GENERAL.—Beginning on the ef-  
25 fective date of the Affordable Loans for Any

1 Student Act, interest on a loan made under this  
2 part shall accrue and be added to the balance  
3 of interest due on the loan, but shall not be  
4 capitalized.

5 “(B) NO CAPITALIZATION OF INTEREST  
6 DURING IN-SCHOOL OR GRACE PERIODS.—

7 “(i) IN GENERAL.—Beginning on the  
8 effective date of the Affordable Loans for  
9 Any Student Act, interest on loans made  
10 under this part for which payments of  
11 principal are not required during the in-  
12 school and grace periods or for which pay-  
13 ments are deferred in accordance with sec-  
14 tions 427(a)(2)(C) and 428(b)(1)(M) shall  
15 accrue and be added to the balance of in-  
16 terest due from the borrower when the  
17 loan enters repayment, but shall not be  
18 capitalized.

19 “(ii) NOTICE REQUIREMENT.—The  
20 Secretary shall adjust any forbearance no-  
21 tice required in accordance with section  
22 428(a)(3)(A)(iii) to reflect the availability  
23 of the pause payment process pursuant to  
24 section 460B and the treatment of interest  
25 under such section.”;

1 (2) in subsection (e)(5)—

2 (A) by inserting “(which, beginning after  
3 the effective date of the Affordable Loans for  
4 Any Student Act, shall not be capitalized)”  
5 after “accrued interest”; and

6 (B) by striking the second sentence; and

7 (3) in subsection (q)(2), by striking the second  
8 sentence and inserting the following: “Such interest  
9 shall be paid or shall accrue but not be capitalized  
10 in accordance with subsection (b)(11)(B).”.

11 (b) INCOME-BASED REPAYMENT PLANS.—Paragraph  
12 (3)(B) of section 493C(b) (20 U.S.C. 1098e(b)(3)(B)) is  
13 amended to read as follows:

14 “(B)(i) beginning on the effective date of  
15 the Affordable Loans for Any Student Act, for  
16 an eligible loan issued under part D or not oth-  
17 erwise described in clause (ii), shall not be cap-  
18 italized and shall be added to the balance of in-  
19 terest due for the loan; and

20 “(ii) for an eligible loan made, insured, or  
21 guaranteed under part B and held by a private  
22 lender, shall be added to the principal amount  
23 and capitalized at the time the borrower—

24 “(I) ends the election to make income-  
25 based repayment under this subsection; or

1 “(II) begins making payments of not  
2 less than the amount specified in para-  
3 graph (6)(A);”.

4 **SEC. 202. ELIMINATION OF ORIGINATION FEES FOR FED-**  
5 **ERAL DIRECT LOANS.**

6 (a) **REPEAL OF ORIGINATION FEES.**—Subsection (c)  
7 of section 455 (20 U.S.C. 1087e(c)) is repealed.

8 (b) **EFFECTIVE DATE.**—The amendment made by  
9 subsection (a) shall apply with respect to loans made  
10 under part D of title IV of the Higher Education Act of  
11 1965 (20 U.S.C. 1087a et seq.) for which the first dis-  
12 bursement of principal is made, or, in the case of a Fed-  
13 eral Direct Consolidation Loan, the application is received,  
14 on or after July 1, 2019.

15 **TITLE III—PROVIDING ASSIST-**  
16 **ANCE IN SITUATIONS OF BOR-**  
17 **ROWER DISTRESS**

18 **SEC. 301. LIMITS ON SEIZING INCOME FOR DEBT RELATING**  
19 **TO DIRECT LOANS.**

20 Part D of title IV (20 U.S.C. 1087a et seq.) is  
21 amended by adding at the end the following:

22 **“SEC. 460A. LIMITS ON SEIZING INCOME FOR DEBT RELAT-**  
23 **ING TO DIRECT LOANS.**

24 “(a) **DEFINITIONS.**—In this section—

1           “(1) the term ‘adjusted gross income’ has the  
2 meaning given the term in section 62 of the Internal  
3 Revenue Code of 1986; and

4           “(2) the term ‘poverty line’ means the poverty  
5 line (as defined by the Office of Management and  
6 Budget and revised annually in accordance with sec-  
7 tion 673(2) of the Community Services Block Grant  
8 Act (42 U.S.C. 9902(2)) applicable to a family of  
9 the size involved.

10       “(b) LIMITATION ON COLLECTION.—

11           “(1) IN GENERAL.—Notwithstanding any other  
12 provision of law, any entity engaged in the collection  
13 of debts relating to loans made under this title may  
14 not take any action to cause, or seek to cause, the  
15 collection of such a debt that is taken from the  
16 wages, Federal benefits, or other amounts due to a  
17 borrower through garnishment, deduction, offset, or  
18 seizure in an amount on a monthly basis that is  
19 more than the amount described in paragraph (2).

20           “(2) CALCULATION.—The amount described in  
21 this paragraph is the amount obtained by calculating  
22 what the monthly repayment amount would be for  
23 loans made under this title, with respect to the bor-  
24 rower, under the income-based repayment plan  
25 under section 493C(e).

1           “(3) PRESUMPTION.—For purposes of this sec-  
2           tion, if an entity described in paragraph (1) is un-  
3           able to determine the family size of a borrower after  
4           taking reasonable steps to collect the information  
5           necessary to do so, that person shall presume that  
6           the family size of the borrower is 1 individual.

7           “(c) COMMUNICATIONS.—Any communication by an  
8           entity described in subsection (b)(1) that is for the pur-  
9           pose of seizing income of a consumer for debt that relates  
10          to a loan made under this title shall—

11           “(1) be considered—

12                   “(A) an attempt to collect a debt; and

13                   “(B) conduct in connection with the collec-  
14           tion of a debt for the purposes of this title; and

15           “(2) contain a notice to the borrower that, con-  
16           sistent with the procedures for rehabilitating a loan  
17           pursuant to section 428F(a) or consolidating loans  
18           out of default as described in section  
19           428C(a)(3)(B)(i)(V), the borrower may exit default  
20           and reenter current repayment status (as defined in  
21           section 428(l)(2)(C)) with a similar monthly pay-  
22           ment amount on an income-based repayment plan  
23           under section 493C(e) and thereby obtain the full  
24           flexibility and benefits of such status, including the  
25           ability to adjust family size and make qualifying

1 payments for purposes of repayment or cancellation  
2 of any outstanding balance of principal and interest  
3 due on a loan (as described in section 493C(b)(7)).

4 “(d) REMEDIES.—

5 “(1) FIRST TIER.—The Secretary may impose a  
6 civil penalty on an entity for a violation of this sec-  
7 tion not to exceed \$5,000 for each day during which  
8 such violation continues.

9 “(2) SECOND TIER.—Notwithstanding para-  
10 graph (1), the Secretary may impose a civil penalty  
11 on an entity that recklessly engages in a violation of  
12 this section not to exceed \$25,000 for each day dur-  
13 ing which such violation continues.

14 “(3) THIRD TIER.—Notwithstanding para-  
15 graphs (1) and (2), the Secretary may impose a civil  
16 penalty on an entity that knowingly violates this sec-  
17 tion not to exceed \$1,000,000 for each day during  
18 which such violation continues.

19 “(4) NO EXEMPLARY OR PUNITIVE DAMAGES.—  
20 Nothing in this subsection shall be construed as au-  
21 thorizing the imposition of exemplary or punitive  
22 damages.”.

1 **SEC. 302. ALLOWING FOR MULTIPLE LOAN REHABILI-**  
2 **TATIONS.**

3 (a) FFEL LOANS.—Section 428F(a)(5) (20 U.S.C.  
4 1078–6(a)(5)) is amended by striking “one time per loan”  
5 and inserting “2 times per loan”.

6 (b) DIRECT LOANS.—Section 455(d) (20 U.S.C.  
7 1087e(d)), as amended by section 103, is further amended  
8 by adding at the end the following:

9 “(8) LOAN REHABILITATION.—In carrying out  
10 the process for loan rehabilitation described in sec-  
11 tion 428F(a)(5) with respect to loans made under  
12 this part and in accordance with subsection (a), the  
13 Secretary shall allow a borrower to obtain the bene-  
14 fits available under such section not more than 2  
15 times per loan.”.

16 **SEC. 303. PAUSE PAYMENT PROCESS.**

17 (a) ESTABLISHMENT OF PAUSE PAYMENT PROC-  
18 ESS.—Part D of title IV (20 U.S.C. 1087a et seq.), as  
19 amended by section 301, is further amended by adding  
20 at the end the following:

21 **“SEC. 460B. PAUSE PAYMENT PROCESS.**

22 “(a) IN GENERAL.—The Secretary shall establish a  
23 single, streamlined pause payment process with respect to  
24 loans made under this part that replaces the deferment  
25 and forbearance options available to borrowers before the  
26 effective date of the Affordable Loans for Any Student



1 Act and provides temporary relief from repayment of such  
2 loans in accordance with this section.

3 “(b) APPLICATION.—Notwithstanding any other pro-  
4 vision of this Act, a borrower of a loan made under this  
5 part that desires to receive temporary relief from repay-  
6 ment with respect to such loan shall request relief in ac-  
7 cordance with the pause payment process established by  
8 the Secretary under subsection (a), which shall include the  
9 options to select a temporary cessation of payments and  
10 to make smaller payments than the monthly payments re-  
11 quired under the borrower’s repayment plan.

12 “(c) PAUSE PAYMENT.—

13 “(1) IN GENERAL.—A borrower of a loan made  
14 under this part who meets the requirements de-  
15 scribed in paragraph (2) shall be eligible for a pause  
16 payment, during which periodic installments of prin-  
17 cipal need not be paid, and interest—

18 “(A) shall not accrue, in the case of a—

19 “(i) Federal Direct Stafford Loan; or

20 “(ii) a Federal Direct Consolidation  
21 Loan that consolidated only Federal Direct  
22 Stafford Loans, or a combination of such  
23 loans and Federal Stafford Loans for  
24 which the student borrower received an in-  
25 terest subsidy under section 428; or

1           “(B) shall accrue and be added to the bal-  
2           ance of interest due but not be capitalized, or  
3           be paid by the borrower, in the case of a Fed-  
4           eral Direct PLUS Loan, a Federal Direct Un-  
5           subsidized Stafford Loan, or a Federal Direct  
6           Consolidation Loan not described in subpara-  
7           graph (A)(ii).

8           “(2) ELIGIBILITY.—A borrower of a loan made  
9           under this part shall be eligible for a pause payment  
10          during any period—

11           “(A) during which—

12           “(i) the borrower is carrying at least  
13           one-half the normal full-time work load for  
14           the course of study that the borrower is  
15           pursuing, as determined by the eligible in-  
16           stitution (as such term is defined in sec-  
17           tion 435(a)) the student is attending; or

18           “(ii) in the case of a parent borrower,  
19           the borrower or the student on whose be-  
20           half the loan was borrowed is carrying at  
21           least one-half the normal full-time work  
22           load, in accordance with clause (i);

23           “(B) during which the borrower is pur-  
24           suing a course of study pursuant to a graduate  
25           fellowship program approved by the Secretary;

1           “(C) during which the borrower is serving  
2           in a medical or dental internship or residency  
3           program;

4           “(D) during which the borrower is in a re-  
5           habilitation training program for individuals  
6           with disabilities approved by the Secretary;

7           “(E) during which the borrower—

8                   “(i) is serving on active duty during a  
9                   war or other military operation or national  
10                  emergency and for the 180-day period fol-  
11                  lowing the demobilization date for the serv-  
12                  ice; or

13                   “(ii) qualifies for partial repayment of  
14                  the borrower’s loans under a provision of  
15                  chapter 109 or 1609 of title 10, United  
16                  States Code;

17           “(F) during which the borrower is per-  
18           forming qualifying National Guard duty during  
19           a war or other military operation or national  
20           emergency and for the 180-day period following  
21           the demobilization date for the service;

22           “(G) during which the borrower is serving  
23           in—

24                   “(i) an approved national service posi-  
25                  tion (as defined in section 101 of the Na-

1            tional and Community Service Act of 1990  
2            (42 U.S.C. 12511)) in an Americorps pro-  
3            gram (defined for purposes of this sub-  
4            paragraph as a program carried out under  
5            subtitle C or E of title I of the National  
6            and Community Service Act of 1990 (42  
7            U.S.C. 12571 et seq., 12611 et seq.) or  
8            title I of the Domestic Volunteer Service  
9            Act of 1973 (42 U.S.C. 4951 et seq.);

10            “(ii) in the Peace Corps; or

11            “(iii) in a teaching position that would  
12            qualify for teacher loan forgiveness under  
13            section 428J;

14            “(H) not in excess of 3 years during which  
15            the Secretary determines, in accordance with  
16            regulations prescribed under section 435(o),  
17            that the borrower has experienced or will expe-  
18            rience an economic hardship, such as experi-  
19            encing financial difficulties, having unexpected  
20            or significant medical expenses, or being unable  
21            to find full-time employment;

22            “(I) during which a borrower’s ability to  
23            make payments, as determined by the Sec-  
24            retary, has been adversely affected by—

1                   “(i) any major disaster or emergency  
2                   declared by the President under section  
3                   401 or 501, respectively, of the Robert T.  
4                   Stafford Disaster Relief and Emergency  
5                   Assistance Act (42 U.S.C. 5170, 5191);

6                   “(ii) a local emergency, as declared by  
7                   the appropriate government agency; or

8                   “(iii) a military mobilization;

9                   “(J) during which the borrower is awaiting  
10                  a determination by the Secretary of the bor-  
11                  rower’s request for a pause payment, change in  
12                  repayment plan, loan forgiveness or cancella-  
13                  tion, or consolidation loan; or

14                  “(K) during which the borrower is experi-  
15                  encing other exceptional circumstances for  
16                  which pause payment under this section is in  
17                  the best interest of the borrower, as determined  
18                  by the Secretary through regulation.”.

19                  (b) CONFORMING AMENDMENTS.—Section 455 (20  
20 U.S.C. 1087e) is amended—

21                   (1) in subsection (e)(7)(B)(i), by striking “is in  
22                   deferment” and inserting “is under pause payment  
23                   pursuant to section 460B”;

24                   (2) by striking subsection (f) and inserting the  
25                   following:

1 “(f) **reserved**”; and

2 (3) in subsection (l)—

3 (A) by striking “PROGRAM.—” and all that  
4 follows through “Using funds” and inserting  
5 the following: “PROGRAM.—Using funds”; and

6 (B) by striking paragraph (2).

7 **SEC. 304. AUTOMATIC ENROLLMENT INTO INCOME-BASED**  
8 **REPAYMENT FOR BORROWERS WHO ARE DE-**  
9 **LINQUENT ON LOANS AND FOR BORROWERS**  
10 **WHO REHABILITATE DEFAULTED LOANS.**

11 (a) NOTIFICATION AND AUTOMATIC ENROLLMENT  
12 PROCEDURES.—Section 455(d) (20 U.S.C. 1087e(d)), as  
13 amended by section 103 and 302, is further amended by  
14 adding at the end the following:

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

18 “(A) AUTHORITY TO OBTAIN INCOME IN-  
19 FORMATION.—

20 “(i) IN GENERAL.—In the case of any  
21 borrower who is at least 60 days delin-  
22 quent on a loan made under this part, the  
23 Secretary may obtain such information as  
24 is reasonably necessary regarding the in-

1           come and family size of the borrower (and  
2           the borrower's spouse, if applicable).

3           “(ii) AVAILABILITY OF RETURNS AND  
4           RETURN INFORMATION.—Returns and re-  
5           turn information (as defined in section  
6           6103 of the Internal Revenue Code of  
7           1986) may be obtained under this subpara-  
8           graph only to the extent authorized by sec-  
9           tion 6103(l)(13) of such Code.

10          “(B) BORROWER NOTIFICATION.—With re-  
11          spect to each borrower of a loan made under  
12          this part who is at least 60 days delinquent on  
13          such loan and who has not been subject to the  
14          procedures under this paragraph for such loan  
15          in the preceding 120 days, the Secretary shall,  
16          as soon as practicable after such 60-day delin-  
17          quency, provide to the borrower the following:

18                 “(i) Notification that the borrower is  
19                 at least 60 days delinquent on at least 1  
20                 loan under this part, and a description of  
21                 all delinquent loans under this part, and  
22                 nondelinquent loans under this part, of the  
23                 borrower.

24                 “(ii) A brief description of the repay-  
25                 ment plans for which the borrower is eligi-

1 ble and the borrower’s loans made under  
2 this part, and loans made, insured, or  
3 guaranteed under part B or E, that may  
4 be eligible for such plans, based on infor-  
5 mation available to the Secretary.

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

8 “(iv) The amount of monthly pay-  
9 ments for the loans made under this part,  
10 and any loans made, insured, or guaran-  
11 teed under part B or E, under the repay-  
12 ment plans for which the borrower is eligi-  
13 ble, based on information available to the  
14 Secretary, including, if the income infor-  
15 mation of the borrower is available to the  
16 Secretary under subparagraph (A)—

17 “(I) the amount of the monthly  
18 payment under the income-based re-  
19 payment plan under section 493C(c)  
20 for which the borrower is eligible for  
21 the borrower’s loans made under this  
22 part, based on such income informa-  
23 tion; and

24 “(II) the income, family size, tax  
25 filing status, and tax year information



1 on which each the monthly payment is  
2 based.

3 “(v) An explanation that the Sec-  
4 retary shall take the actions under sub-  
5 paragraph (C) with respect to such bor-  
6 rower, if—

7 “(I) the borrower is 120 days de-  
8 linquent on one or more loans under  
9 this part and has not selected a new  
10 repayment plan for the borrower’s  
11 loans under this part; and

12 “(II) in the case of such a bor-  
13 rower whose repayment plan for any  
14 loans made under this part is not an  
15 income-based repayment plan under  
16 section 493C(c), the monthly pay-  
17 ments under such repayment plan are  
18 higher than such monthly payments  
19 would be under an income-based re-  
20 payment plan for such loans.

21 “(vi) Instructions on updating the in-  
22 formation of the borrower obtained under  
23 subparagraph (A).

24 “(C) SECRETARY’S INITIAL SELECTION OF  
25 PLAN.—With respect to each borrower de-

1           scribed in subparagraph (B) who has a repay-  
2           ment plan for loans made under this part that  
3           meets the requirements of clause (v)(II) of sub-  
4           paragraph (B), who has not selected a new re-  
5           payment plan for such loans in accordance with  
6           the notice received under such subparagraph,  
7           and who is at least 120 days delinquent on such  
8           a loan, the Secretary shall, as soon as prac-  
9           ticable—

10                   “(i) in a case in which any of the bor-  
11                   rower’s loans made under part B or E are  
12                   eligible for an income-based repayment  
13                   plan under section 493C(c), provide the  
14                   borrower with the income-based repayment  
15                   plan; and

16                   “(ii) in a case in which none of the  
17                   borrower’s loans made under part B or E  
18                   are eligible for an income-based repayment  
19                   plan under section 493C(c), notify the bor-  
20                   rower of the actions, if any, the borrower  
21                   may take for such loans to become eligible  
22                   for such a plan.

23                   “(D) SECRETARY’S ADDITIONAL SELEC-  
24                   TION OF PLAN.—

1           “(i) IN GENERAL.—With respect to  
2           each borrower of a loan made under this  
3           part who selects a new repayment plan in  
4           accordance with the notice received under  
5           subparagraph (B) and who continues to be  
6           delinquent on such loan for a period de-  
7           scribed in clause (ii), the Secretary shall,  
8           as soon as practicable after such period,  
9           carry out the procedures described in sub-  
10          paragraph (C) for the borrower’s loans  
11          made under this part, if such procedures  
12          would result in lower monthly repayment  
13          amounts on such loan.

14          “(ii) DESCRIPTION OF PERIOD.—The  
15          duration of the period described in clause  
16          (i) shall be the amount of time that the  
17          Secretary determines is sufficient to indi-  
18          cate that the borrower may benefit from  
19          repaying such loan under a new repayment  
20          plan, but in no case shall such period be  
21          less than 60 days.

22          “(E) OPT-OUT.—A borrower of a loan  
23          made under this part shall have the right to opt  
24          out of the procedures under this paragraph.

1           “(F) PROCEDURES.—The Secretary shall  
2           establish procedures as are necessary to effec-  
3           tively implement this paragraph.

4           “(10) NOTIFICATION AND AUTOMATIC ENROLL-  
5           MENT PROCEDURES FOR BORROWERS WHO ARE RE-  
6           HABILITATING DEFAULTED LOANS.—

7           “(A) AUTHORITY TO OBTAIN INCOME IN-  
8           FORMATION.—

9           “(i) IN GENERAL.—In the case of any  
10           borrower who is rehabilitating a loan made  
11           under this part pursuant to section  
12           428F(a), the Secretary may obtain such  
13           information as is reasonably necessary re-  
14           garding the income and family size of the  
15           borrower (and the borrower’s spouse, if ap-  
16           plicable).

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

24           “(B) BORROWER NOTIFICATION.—Not  
25           later than 30 days after a borrower makes the

1           6th payment required for the loan rehabilitation  
2           described in subparagraph (A), the Secretary  
3           shall notify the borrower of the process under  
4           subparagraph (C) with respect to such loan.

5           “(C) SECRETARY’S AUTOMATIC ENROLL-  
6           MENT.—With respect to each borrower who has  
7           made the 9th payment required for the loan re-  
8           habilitation described in subparagraph (A) and  
9           is eligible for the income-based repayment plan  
10          under section 493C(c), the Secretary shall, as  
11          soon as practicable after such payment, provide  
12          the borrower with the income-based repayment  
13          plan.

14          “(D) OPT-OUT.—A borrower of a loan  
15          made under this part shall have the right to opt  
16          out of the procedures under this paragraph.

17          “(E) PROCEDURES.—The Secretary shall  
18          establish procedures as are necessary to effec-  
19          tively implement this paragraph.”.

20          (b) EFFECTIVE DATE.—The amendments made by  
21          subsection (a) shall—

22                  (1) take effect as soon as the Secretary of Edu-  
23                  cation determines practicable after the Secretary fi-  
24                  nalizes the procedures under section 107; and

1           (2) apply to all borrowers of loans made under  
2           part D of title IV of the Higher Education Act of  
3           1965 (20 U.S.C. 1087a et seq.).

4 **SEC. 305. SEPARATING JOINT CONSOLIDATION LOANS.**

5           (a) IN GENERAL.—Section 455(g) (20 U.S.C.  
6 1087e(g)), as amended by section 104, is further amended  
7 by adding at the end the following:

8           “(3) SEPARATING JOINT CONSOLIDATION  
9           LOANS.—

10           “(A) IN GENERAL.—A married couple, or  
11           2 individuals who were previously a married  
12           couple, and who received a joint consolidation  
13           loan as such married couple under subpara-  
14           graph (C) of section 428C(a)(3) (as such sub-  
15           paragraph was in effect on or before June 30,  
16           2006), may apply to the Secretary for each in-  
17           dividual borrower in the married couple (or pre-  
18           viously married couple) to receive a separate  
19           Federal Direct Consolidation Loan under this  
20           part—

21           “(i) that shall—

22           “(I) unless the Secretary receives  
23           notice of an agreement described in  
24           subclause (II)(aa), be equal to the  
25           sum of—

1                   “(aa) the unpaid principal  
2                   and accrued unpaid interest of  
3                   the percentage of the joint con-  
4                   solidation loan that, as of the day  
5                   before such joint consolidation  
6                   loan was made, was attributable  
7                   to the loans of the individual bor-  
8                   rower for whom such separate  
9                   consolidation loan is being made;  
10                  and

11                  “(bb) any other loans de-  
12                  scribed in section 428C(a)(4)  
13                  that such individual borrower se-  
14                  lects for consolidation under this  
15                  part; or

16                  “(II) be equal to the sum of—

17                         “(aa) the unpaid principal  
18                         and accrued unpaid interest of  
19                         the percentage of the joint con-  
20                         solidation loan that, as of the  
21                         date of application under this  
22                         paragraph, the married couple  
23                         (or previously married couple)  
24                         agrees shall be considered attrib-  
25                         utable to the loans of the indi-

1 individual borrower for whom such  
2 separate consolidation loan is  
3 being made; and

4 “(bb) any other loans de-  
5 scribed in section 428C(a)(4)  
6 that such individual borrower se-  
7 lects for consolidation under this  
8 part;

9 “(ii) the proceeds of which shall be  
10 paid by the Secretary to the holder or  
11 holders—

12 “(I) of the joint consolidation  
13 loan for the purpose of discharging  
14 the liability on the percentage of such  
15 joint consolidation loan described in  
16 subclause (I)(aa) or (II)(aa) of clause  
17 (i); and

18 “(II) of the loans selected for  
19 consolidation under subclause (I)(bb)  
20 or (II)(bb) of clause (i) for the pur-  
21 pose of discharging the liability on  
22 such loans;

23 “(iii) except as otherwise provided in  
24 this paragraph, that has the same terms



1 and conditions, and rate of interest as the  
2 joint consolidation loan;

3 “(iv) for which any payment made  
4 under subsection (m)(1)(A) on the joint  
5 consolidation loan during a period in which  
6 the individual borrower for whom such sep-  
7 arate consolidation loan is being made was  
8 employed in a public service job described  
9 in subsection (m)(1)(B) shall be treated as  
10 if such payment were made on such sepa-  
11 rate consolidation loan; and

12 “(v) for which any payment made  
13 under an income contingent repayment  
14 plan under subsection (d)(1)(D), or an in-  
15 come-based repayment plan under para-  
16 graph (1)(E) or (2)(A)(ii) of subsection  
17 (d), on the joint consolidation loan shall be  
18 treated as if such payment were made on  
19 such separate consolidation loan.

20 “(B) APPLICATION FOR SEPARATE DIRECT  
21 CONSOLIDATION LOANS.—

22 “(i) JOINT APPLICATION.—Except as  
23 provided in clause (ii), to receive separate  
24 consolidation loans under subparagraph  
25 (A), both individual borrowers in a married

1 couple (or previously married couple) shall  
2 jointly apply under such subparagraph.

3 “(ii) SEPARATE APPLICATION.—An  
4 individual borrower in a married couple (or  
5 previously married couple) may apply for a  
6 separate consolidation loan under subpara-  
7 graph (A) separately and without regard to  
8 whether or when the other individual bor-  
9 rower in the married couple (or previously  
10 married couple) applies under such sub-  
11 paragraph, in a case in which—

12 “(I) the individual borrower has  
13 experienced from the other individual  
14 borrower—

15 “(aa) domestic violence (as  
16 defined in section 40002(a) of  
17 the Violence Against Women Act  
18 of 1994 (42 U.S.C. 13925(a));

19 “(bb) economic abuse (in-  
20 cluding behaviors that control  
21 such borrower’s ability to ac-  
22 quire, use, and maintain access  
23 to money, credit, or the joint fi-  
24 nancial obligations of both bor-  
25 rowers); or

1                   “(cc) other exceptional cir-  
2                   cumstances, as determined by the  
3                   Secretary; and

4                   “(II) the Secretary determines  
5                   that authorizing each individual bor-  
6                   rower to apply separately under sub-  
7                   paragraph (A) would be in the best  
8                   fiscal interests of the Federal Govern-  
9                   ment, including by reducing the risk  
10                  of delinquency or default.

11                  “(C) BORROWER ELIGIBILITY.—Notwith-  
12                  standing section 428C(a)(3)(A), the Secretary  
13                  shall award a consolidation loan under this part  
14                  to each borrower who—

15                         “(i) applies for such loan under sub-  
16                         paragraph (A); and

17                         “(ii) meets the requirements of sub-  
18                         paragraphs (A) and (B).

19                  “(D) SPECIAL RULE.—Notwithstanding  
20                  any other provision of this title, an individual  
21                  who has a joint consolidation loan and wishes  
22                  for the Secretary to discharge the loans due to  
23                  total and permanent disability pursuant to sec-  
24                  tion 437(a), shall first separate the joint con-  
25                  solidation loan in accordance with this section

1 before the Secretary may discharge any portion  
2 of the loan.”.

3 (b) CONFORMING AMENDMENT.—Section  
4 428C(a)(3)(B)(i)(V) (20 U.S.C. 1078–3(3)(B)(i)(V)) is  
5 amended—

6 (1) by striking “or” at the end of item (bb);

7 (2) by striking the period at the end of item  
8 (cc) and inserting “; or”; and

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

10 “(dd) for the purpose of sepa-  
11 rating a joint consolidation loan into 2  
12 separate Federal Direct Consolidation  
13 Loans under section 455(g)(3).”.

14 **SEC. 306. REMOVING THE COLLECTION COST REQUIRE-**  
15 **MENT.**

16 (a) REMOVAL OF REQUIREMENT.—Section  
17 484A(b)(1) (20 U.S.C. 1091a(b)(1)) is amended by strik-  
18 ing “shall be required to pay, in addition to other charges  
19 specified in this title, reasonable collection costs” and in-  
20 serting “shall not be required to pay collection costs”.

21 (b) REPAYMENT AFTER DEFAULT.—Section  
22 455(d)(6) (20 U.S.C. 1087e(d)(6)), as redesignated under  
23 section 103(b), is amended by striking “to—” and all that  
24 follows through the period at the end and inserting “to

1 repay the loan pursuant to an income-based repayment  
2 plan under section 493C(c).”.

3 **TITLE IV—IMPROVING LOAN IN-**  
4 **FORMATION AND COUN-**  
5 **SELING**

6 **SEC. 401. STUDENT LOAN CONTRACT; SIMPLIFYING LOAN**  
7 **DISCLOSURES.**

8 (a) STUDENT LOAN CONTRACT.—Section 455 (20  
9 U.S.C. 1087e), as amended by section 202, is further  
10 amended by inserting after subsection (b) the following:

11 “(c) STUDENT LOAN CONTRACT; SIMPLIFYING LOAN  
12 DISCLOSURES.—

13 “(1) STUDENT LOAN CONTRACT.—

14 “(A) IN GENERAL.—Any master promis-  
15 sory note form described in section  
16 432(m)(1)(D) that is developed or used for cov-  
17 ered loans shall be referred to as a ‘student  
18 loan contract’.

19 “(B) CLARIFICATION ON USE.—Notwith-  
20 standing section 432(m)(1)(D)(i), each student  
21 loan contract for a covered loan shall—

22 “(i) not be entered into by a student  
23 unless the student has completed all re-  
24 quired counseling related to such loan, in-

1 cluding counseling required under section  
2 485(l);

3 “(ii) be signed by the student entering  
4 such student loan contract after completion  
5 of such counseling;

6 “(iii) be used only for the award year  
7 for which the initial loans are made under  
8 the contract and shall be valid for addi-  
9 tional loans for the same period of enroll-  
10 ment within an award year; and

11 “(iv) include options for the student  
12 to enter both the student’s current contact  
13 information and permanent contact infor-  
14 mation that is likely to remain valid upon  
15 the student’s exit from the institution.

16 “(C) COVERED LOANS.—In this sub-  
17 section, the term ‘covered loan’ means a loan  
18 made under this part on or after the date of en-  
19 actment of the Affordable Loans for Any Stu-  
20 dent Act.

21 “(2) LOAN DISCLOSURES.—For loans made  
22 under this part for periods of enrollment beginning  
23 on or after the date of enactment of the Affordable  
24 Loans for Any Student Act, the Secretary shall take  
25 such steps as are necessary to streamline the stu-

1       dent loan disclosure requirements under this Act.  
2       The Secretary shall ensure that information required  
3       to be disclosed to a student who is applying for, re-  
4       ceiving, or preparing to repay a loan under this part  
5       shall be consumer-tested and delivered in a manner  
6       that—

7               “(A) reduces and simplifies the paperwork  
8               students are required to complete;

9               “(B) limits the number of times a student  
10              is presented with disclosures by incorporating  
11              the streamlined disclosures into required stu-  
12              dent loan counseling under section 485(l), the  
13              student loan contract under this subsection, or  
14              both; and

15              “(C) is effective in helping the student un-  
16              derstand the student’s rights and obligations as  
17              a Federal student loan borrower.

18              “(3) ANNUAL LOAN ACCEPTANCE.—Prior to  
19              making the first disbursement of a covered loan  
20              (other than a Federal Direct Consolidation Loan) to  
21              a borrower for an award year, the eligible institution  
22              shall ensure that the borrower—

23                      “(A) has completed the applicable coun-  
24                      seling under paragraph (2) or (3) of section  
25                      485(l); and

1           “(B) after completing such counseling, ac-  
 2           cepts the loan for such award year by—

3           “(i) signing and returning to the insti-  
 4           tution the student loan contract described  
 5           in section 455(c)(1) that affirmatively  
 6           states that the borrower accepts the loan;  
 7           or

8           “(ii) electronically signing an elec-  
 9           tronic version of such student loan con-  
 10          tract, which may be done through the on-  
 11          line counseling tool in accordance with sec-  
 12          tion 485(n)(1)(B).”.

13          (b) CONFORMING AMENDMENT.—Section 487(a)(7)  
 14          (20 U.S.C. 1094(a)(7)) is amended by striking “section  
 15          485” and inserting “sections 455(c)(3) and 485”.

16          **SEC. 402. ANNUAL AND PRE-LOAN INFORMATION AND**  
 17          **COUNSELING REQUIREMENTS.**

18          Section 485(l) (20 U.S.C. 1092(l)) is amended to  
 19          read as follows:

20          “(l) ANNUAL STUDENT LOAN COUNSELING FOR  
 21          BORROWERS.—

22                 “(1) ANNUAL COUNSELING REQUIREMENT FOR  
 23          INSTITUTIONS.—

24                 “(A) IN GENERAL.—Each eligible institu-  
 25          tion shall ensure that each individual for whom



1 the institution has knowledge that the student  
2 has accepted, or will accept, 1 or more student  
3 loans under part D (including any such loans  
4 for attendance at another institution from  
5 which the student transferred or in which the  
6 student had previously enrolled, other than a  
7 Federal Direct Consolidation Loan) for an  
8 award year, receives comprehensive information  
9 on the terms and conditions of such loan and  
10 the responsibilities the individual has with re-  
11 spect to such loan. Such information shall be  
12 provided, for each award year for which the in-  
13 dividual receives such loan, in a simple, under-  
14 standable, and consumer-friendly manner—

15 “(i) during a counseling session con-  
16 ducted in person;

17 “(ii) online, with the individual ac-  
18 knowledging receipt of the information; or

19 “(iii) through the use of the online  
20 counseling tool described in subsection  
21 (n)(1)(B).

22 “(B) USE OF INTERACTIVE PROGRAMS.—  
23 In the case of institutions not using the online  
24 counseling tool described in subsection  
25 (n)(1)(B), the Secretary shall require such in-

1           stitutions to carry out the requirements of sub-  
2           paragraph (A) through the use of interactive  
3           programs, during an annual counseling session  
4           that is in-person or online, that test the individ-  
5           ual’s understanding of the terms and conditions  
6           of the loan awarded to the individual, using  
7           simple and understandable language and clear  
8           formatting.

9           “(2) PRE-LOAN COUNSELING FOR BORROWERS  
10          RECEIVING LOANS MADE UNDER PART D (OTHER  
11          THAN PARENT PLUS LOANS).—The information to be  
12          provided under paragraph (1)(A) to a borrower of a  
13          loan made under part D (other than a Federal Di-  
14          rect PLUS Loan made on behalf of a dependent stu-  
15          dent) shall include the following:

16                 “(A) A notification that some students  
17                 may qualify for other financial aid that does not  
18                 need to be repaid, and an explanation that the  
19                 borrower should consider accepting any such  
20                 grant, scholarship, military tuition assistance,  
21                 veterans benefits, Federal or State work-study  
22                 jobs, or other programs for which the borrower  
23                 is eligible, prior to accepting student loans.

24                 “(B) Information on the total outstanding  
25                 student loan debt that the institution is aware

1 that the student has borrowed, disaggregated  
2 by type of loan, including loans issued under  
3 this title, private education loans (as defined in  
4 section 140 of the Truth in Lending Act (15  
5 U.S.C. 1650)) that the institution has certified  
6 in accordance with section 487(a)(28), and edu-  
7 cation loans from the institution, as applicable.

8 “(C) The student’s estimated monthly pay-  
9 ment amounts for loans made, insured, or guar-  
10 anteed under this title based on—

11 “(i) the fixed repayment plan de-  
12 scribed under section 493E for loans  
13 issued under part B or D; and

14 “(ii) the income-based repayment plan  
15 under section 493C(c), utilizing individual-  
16 ized data applicable to the borrower as de-  
17 scribed in paragraph (4).

18 “(D) A statement that the monthly  
19 amount described in subparagraph (C) does not  
20 include any amounts that the student may be  
21 required to repay for non-Federal education  
22 loans, including private education loans or insti-  
23 tutional education loans.

24 “(E) An explanation of the use of the stu-  
25 dent loan contract referred to in section 455(c).

1           “(F) A recommendation to the borrower to  
2 exhaust the borrower’s Federal student loan op-  
3 tions prior to taking out private education  
4 loans, an explanation that Federal student  
5 loans typically offer better terms and conditions  
6 than private education loans, an explanation  
7 that Federal student loans offer consumer pro-  
8 tections typically not available in the private  
9 education loan market, an explanation of treat-  
10 ment of loans made under part D and private  
11 education loans in bankruptcy, and an expla-  
12 nation that if a borrower decides to take out a  
13 private education loan—

14                   “(i) the borrower has the ability to se-  
15 lect a private educational lender of the bor-  
16 rower’s choice;

17                   “(ii) the proposed private education  
18 loan may impact the borrower’s potential  
19 eligibility for other financial assistance, in-  
20 cluding Federal financial assistance under  
21 this title; and

22                   “(iii) the borrower has a right—

23                           “(I) to accept the terms of the  
24 private education loan within 30 cal-  
25 endar days following the date on

1           which the application for such loan is  
2           approved and the borrower receives  
3           the required disclosure documents,  
4           pursuant to section 128(e) of the  
5           Truth in Lending Act (15 U.S.C.  
6           1638(e)); and

7                       “(II) to cancel such loan within 3  
8           business days of the date on which the  
9           loan is consummated, pursuant to sec-  
10          tion 128(e)(7) of such Act (15 U.S.C.  
11          1638(e)(7)).

12                      “(G) An explanation of the importance of  
13          contacting the appropriate offices at the institu-  
14          tion of higher education if the borrower with-  
15          draws prior to completing the borrower’s pro-  
16          gram of study so that the institution can pro-  
17          vide exit counseling, including information re-  
18          garding the borrower’s repayment options and  
19          loan consolidation.

20                      “(H) An explanation of the obligation of  
21          the borrower to repay the full amount of the  
22          loan, regardless of whether the borrower com-  
23          pletes or does not complete the program in  
24          which the borrower is enrolled within the reg-  
25          ular time for program completion.

1           “(I) A general description of the terms and  
2 conditions under which the student may obtain  
3 forgiveness or cancellation of any principal and  
4 interest of a loan issued under this title.

5           “(J) Information as to how the student  
6 can access the loan records of the student and  
7 the contact information for inquiries regarding  
8 repaying the loan.

9           “(K) The contact information for the fi-  
10 nancial aid office, or other appropriate office, at  
11 the institution that the borrower may contact if  
12 the borrower has any questions about the bor-  
13 rower’s rights and responsibilities or the terms  
14 and conditions of the loan.

15           “(L) An explanation that the student has  
16 the right to annually request a copy of the cred-  
17 it report of the student from a consumer re-  
18 porting agency pursuant to section 612(a) of  
19 the Fair Credit Reporting Act (15 U.S.C.  
20 1681j(a)).

21           “(M) For a first-time borrower, in addition  
22 to all the information described in subpara-  
23 graphs (A) through (L)—

1                   “(i) the anticipated balance on the  
2                   loan for which the borrower is receiving  
3                   counseling under this subsection; and

4                   “(ii) information on the annual and  
5                   aggregate loan limits for Federal Direct  
6                   Stafford Loans and Federal Direct Unsub-  
7                   sidized Stafford Loans as it pertains to the  
8                   loan for which the borrower is receiving  
9                   counseling, and a statement that such ag-  
10                  ggregate borrowing limit may change based  
11                  on the borrower’s student status (whether  
12                  undergraduate or graduate) or if there is a  
13                  change in the borrower’s dependency sta-  
14                  tus.

15                  “(N) For a borrower with an outstanding  
16                  balance of principal or interest due on a loan  
17                  made under this title, in addition to all the in-  
18                  formation described in subparagraphs (A)  
19                  through (L), the percentage of the total aggre-  
20                  gate borrowing limit that the student has  
21                  reached, as of the date of the counseling, for  
22                  Federal Direct Stafford Loans and Federal Di-  
23                  rect Unsubsidized Stafford Loans, and a state-  
24                  ment that such aggregate borrowing limit may  
25                  change based on the borrower’s student status

1 (whether undergraduate or graduate) or if there  
2 is a change in the borrower's dependency sta-  
3 tus.

4 “(3) BORROWERS RECEIVING PARENT PLUS  
5 LOANS FOR DEPENDENT STUDENTS.—The informa-  
6 tion to be provided under paragraph (1)(A) to a bor-  
7 rower of a Federal Direct PLUS Loan made on be-  
8 half of a dependent student shall include the fol-  
9 lowing:

10 “(A) A notification that some students  
11 may qualify for other financial aid and an ex-  
12 planation that the student for whom the bor-  
13 rower is taking out the loan should consider ac-  
14 cepting any such grant, scholarship, military  
15 tuition assistance, veterans benefits, Federal or  
16 State work-study jobs, or other programs for  
17 which the student for whom the borrower is  
18 taking out the loan is eligible, prior to bor-  
19 rowing any Federal Direct PLUS Loan on be-  
20 half of a dependent student.

21 “(B) The information described in sub-  
22 paragraphs (B) through (L) of paragraph (2),  
23 as applicable.



1           “(C) The option of the borrower to pay the  
2 interest on the loan while the loan is under  
3 pause payment.

4           “(D) An explanation that the borrower has  
5 the options to prepay each loan, pay each loan  
6 on a shorter schedule, and change repayment  
7 plans.

8           “(E) For each Federal Direct PLUS Loan  
9 made on behalf of a dependent student for  
10 which the borrower is receiving counseling  
11 under this subsection, the contact information  
12 for the loan servicer of the loan and a link to  
13 such servicer’s website.

14           “(F) For a first-time borrower of such  
15 loan—

16                   “(i) the anticipated balance on the  
17 loan for which the borrower is receiving  
18 counseling under this paragraph; and

19                   “(ii) the estimated monthly payment  
20 amounts for such loan based on—

21                           “(I) the fixed repayment plan de-  
22 scribed in section 493E for the loan;  
23 and

24                           “(II) the income-based repay-  
25 ment plan under section 493C(e), uti-

1                   lizing individualized data applicable to  
2                   the borrower as described in para-  
3                   graph (4).

4                   “(G) For a borrower undergoing coun-  
5                   seling that already has an outstanding balance  
6                   of principal or interest due on a Federal Direct  
7                   PLUS Loan made on behalf of a dependent  
8                   student—

9                   “(i) the anticipated balance of all  
10                  Federal Direct PLUS Loans held by the  
11                  borrower (including the one for which  
12                  counseling is provided); and

13                  “(ii) the estimated monthly payment  
14                  amounts for all such loans based on—

15                  “(I) the fixed repayment plan de-  
16                  scribed in section 493E for loans  
17                  issued under part B or D; and

18                  “(II) the income-based repay-  
19                  ment plan under section 493C(e), uti-  
20                  lizing individualized data applicable to  
21                  the borrower as described in para-  
22                  graph (4).

23                  “(4) ESTIMATED REPAYMENT INFORMATION.—  
24                  In providing estimated payments for income-based  
25                  repayment plans under section 493C(e) for purposes

1 of this section, the Secretary shall develop and im-  
2 plement a database to generate repayment estimate  
3 for borrowers by—

4 “(A) enabling each institution to enter rel-  
5 evant loan, program cost, and average indebted-  
6 ness at graduation information electronically;

7 “(B) integrating applicable data on Fed-  
8 eral loans made, insured, or guaranteed under  
9 this title from the National Student Loan Data  
10 System or a successor system;

11 “(C) integrating available data on occupa-  
12 tional earnings reasonably related to the stu-  
13 dent’s program of study;

14 “(D) using a hypothetical family size of 1;  
15 and

16 “(E) providing a borrower the option to  
17 adjust these data elements and observe the cor-  
18 responding change in estimated monthly pay-  
19 ment amounts.”.

20 **SEC. 403. EXIT COUNSELING.**

21 Section 485(b) (20 U.S.C. 1092(b)) is amended—

22 (1) in paragraph (1)—

23 (A) in subparagraph (A)—

24 (i) in the matter preceding clause (i),  
25 striking “through financial aid offices or

1 otherwise” and inserting “through the use  
2 of an interactive program, during an exit  
3 counseling session that is in-person or on-  
4 line, or through the use of the online coun-  
5 seling tool described in subsection  
6 (n)(1)(A)”;

7 (ii) by redesignating clauses (i)  
8 through (ix) as clauses (v) through (xiii),  
9 respectively;

10 (iii) by inserting before clause (v), as  
11 redesignated by clause (ii), the following:

12 “(i) a summary of the outstanding  
13 balance of principal and interest due on  
14 the loans made to the borrower under part  
15 B, D, or E;

16 “(ii) an explanation of the grace pe-  
17 riod preceding repayment and the expected  
18 date that the borrower will enter repay-  
19 ment;

20 “(iii) an explanation that the borrower  
21 has the option to pay any interest that has  
22 accrued while the borrower was in school  
23 or that may accrue during the grace period  
24 preceding repayment or during an author-  
25 ized period of pause payment;

1           “(iv) an explanation that the borrower  
2           may be approached during the repayment  
3           process by third-party student debt relief  
4           companies, that the borrower should use  
5           caution in any such dealings, and that the  
6           typical services provided by these compa-  
7           nies are already offered to borrowers free  
8           of charge through the Department or its  
9           contractors;”;

10           (iv) in clause (v), as redesignated by  
11           clause (ii)—

12           (I) by striking “sample informa-  
13           tion showing the average” and insert-  
14           ing “information, based on the bor-  
15           rower’s outstanding balance described  
16           in clause (i), showing the borrower’s”;  
17           and

18           (II) by striking “of each plan”  
19           and inserting “of the fixed repayment  
20           plan described in section 493E and  
21           the income-based repayment plan  
22           under section 493C(c), and any other  
23           repayment plan for which each loan  
24           may be eligible”;

1 (v) in clause (x), as redesignated by  
2 clause (ii)—

3 (I) by inserting “decreased credit  
4 score,” after “credit reports,”; and

5 (II) by inserting “reduced ability  
6 to rent or purchase a home or car, po-  
7 tential difficulty in securing employ-  
8 ment,” after “Federal law,”;

9 (vi) in the matter preceding subclause  
10 (I) of clause (xi), as redesignated by clause  
11 (ii), by striking “consolidation loan under  
12 section 428C or a”;

13 (vii) in each of clauses (xii) and (xiii),  
14 as redesignated by clause (ii), by striking  
15 “and” at the end; and

16 (viii) by adding at the end the fol-  
17 lowing:

18 “(xiv) for each of the borrower’s loans  
19 made under part B, D, or E for which the  
20 borrower is receiving counseling under this  
21 subsection, the contact information for the  
22 loan servicer of the loan and a link to such  
23 servicer’s website; and

24 “(xv) an explanation that an indi-  
25 vidual has a right to annually request a

1 disclosure of information collected by a  
2 consumer reporting agency pursuant to  
3 section 612(a) of the Fair Credit Report-  
4 ing Act (15 U.S.C. 1681j(a)).”; and  
5 (B) in subparagraph (B), by striking “in  
6 writing” and inserting “online or in writing, ex-  
7 cept that in the case of an institution using the  
8 online counseling tool described in subsection  
9 (n)(1)(A), the Secretary shall attempt to pro-  
10 vide such information to the student in the  
11 manner described in subsection (n)(3)(C)”;

12 (2) in paragraph (2)(C), by inserting “, such as  
13 the online counseling tool described in subsection  
14 (n)(1)(A),” after “electronic means”.

15 **SEC. 404. ONLINE COUNSELING TOOLS.**

16 Section 485 (20 U.S.C. 1092) is amended by adding  
17 at the end the following:

18 “(n) ONLINE COUNSELING TOOLS.—

19 “(1) IN GENERAL.—Beginning not later than 1  
20 year after the date of enactment of the Affordable  
21 Loans for Any Student Act, the Secretary shall  
22 maintain—

23 “(A) an online counseling tool that pro-  
24 vides the exit counseling required under sub-

1 section (b) and meets the applicable require-  
2 ments of this subsection; and

3 “(B) an online counseling tool that pro-  
4 vides the annual counseling required under sub-  
5 section (1), enables a borrower to electronically  
6 sign and accept the borrower’s student loan  
7 contract for the upcoming award year under  
8 section 455(c)(3)(B)(ii), and meets the applica-  
9 ble requirements of this subsection.

10 “(2) REQUIREMENTS OF TOOLS.—In maintain-  
11 ing the online counseling tools described in para-  
12 graph (1), the Secretary shall ensure that each such  
13 tool, and its underlying content—

14 “(A) are consumer tested, in consultation  
15 with other relevant Federal agencies, students,  
16 borrowers, institutions of higher education, sec-  
17 ondary school and postsecondary counselors,  
18 and consumer advocacy organizations, to ensure  
19 that the tool is effective in helping individuals  
20 understand their rights and obligations with re-  
21 spect to borrowing a loan made under part D;

22 “(B) are understandable to borrowers of  
23 loans made under part D;

24 “(C) freely available to all eligible institu-  
25 tions; and



1           “(D) integrate applicable loan data from  
2           the National Student Loan Data System or a  
3           successor system, including data regarding  
4           loans made, insured, or guaranteed under this  
5           title and data regarding private education  
6           loans, pursuant to section 485B(i).

7           “(3) RECORD OF COUNSELING COMPLETION.—  
8           The Secretary shall—

9           “(A) use each online counseling tool de-  
10          scribed in paragraph (1) to keep a record of  
11          which individuals have received counseling using  
12          the tool and notify the applicable institutions of  
13          the individual’s completion of such counseling;

14          “(B) in the case of a borrower who re-  
15          ceives annual counseling for a loan made under  
16          part D using the tool described in paragraph  
17          (1)(B)—

18                 “(i) enable the borrower to accept and  
19                 electronically sign the student loan con-  
20                 tract as required under section  
21                 455(c)(3)(B)(ii) and notify the applicable  
22                 institutions that the individual completed  
23                 the counseling and electronically signed the  
24                 contract; and

1                   “(ii) if the borrower chooses not to  
2                   sign the student loan contract through the  
3                   online counseling—

4                   “(I) inform the borrower,  
5                   through the online counseling tool, of  
6                   the date by when the borrower should  
7                   accept and sign the student loan con-  
8                   tract for which the borrower has re-  
9                   ceived such counseling; and

10                  “(II) notify the applicable insti-  
11                  tution that the borrower completed  
12                  the counseling but did not sign the  
13                  student loan contract; and

14                  “(C) in the case of a borrower described in  
15                  subsection (b)(1)(B) at an institution that uses  
16                  the online counseling tool described in para-  
17                  graph (1)(A) of this subsection, attempt to pro-  
18                  vide the information described in subsection  
19                  (b)(1)(A) to the borrower through such tool.

20                  “(o) LONGITUDINAL STUDY ON THE EFFECTIVENESS  
21                  OF STUDENT LOAN COUNSELING.—

22                  “(1) IN GENERAL.—Not later than 1 year after  
23                  the date of enactment of the Affordable Loans for  
24                  Any Student Act, the Secretary, acting through the  
25                  Director of the Institute of Education Sciences, shall

1 begin conducting a rigorous, longitudinal study of  
2 the impact and effectiveness of the student loan  
3 counseling provided under section 485(n).

4 “(2) CONTENTS.—

5 “(A) BORROWER INFORMATION.—The lon-  
6 gitudinal study carried out under paragraph (1)  
7 shall include borrower information, in the ag-  
8 gregate and disaggregated by race and eth-  
9 nicity, gender, income quartile, and status as an  
10 individual with a disability, on—

11 “(i) student persistence;

12 “(ii) degree attainment;

13 “(iii) program completion;

14 “(iv) successfully maintaining current  
15 student loan repayment status following  
16 the student’s exit from the institution;

17 “(v) cumulative borrowing levels; and

18 “(vi) such other factors as the Sec-  
19 retary may determine.

20 “(B) EXCEPTION.—The disaggregation  
21 under subparagraph (A) shall not be required  
22 in a case in which the number of borrowers in  
23 a category is insufficient to yield statistically re-  
24 liable information or the results would reveal

1 personally identifiable information about an in-  
2 dividual borrower.

3 “(3) INTERIM REPORTS.—Not later than 18  
4 months after the commencement of the study under  
5 paragraph (1), and annually thereafter, the Sec-  
6 retary shall evaluate the progress of the study and  
7 report any short-term findings to the authorizing  
8 committees.”.

9 **SEC. 405. PRIVATE EDUCATION LOAN CERTIFICATION AND**  
10 **INFORMATION.**

11 (a) AMENDMENT TO THE HIGHER EDUCATION ACT  
12 OF 1965.—

13 (1) IN GENERAL.—Section 487(a) (20 U.S.C.  
14 1094(a)) is amended by striking paragraph (28) and  
15 inserting the following:

16 “(28)(A) The institution shall—

17 “(i) upon the request of a private edu-  
18 cational lender, acting in connection with an ap-  
19 plication initiated by a borrower for a private  
20 education loan in accordance with section  
21 128(e)(3) of the Truth in Lending Act, provide  
22 certification to such private educational lend-  
23 er—

24 “(I) that the student who initiated the  
25 application for the private education loan,

1 or on whose behalf the application was ini-  
2 tiated, is enrolled or is scheduled to enroll  
3 at the institution;

4 “(II) of such student’s cost of attend-  
5 ance at the institution as determined under  
6 part F; and

7 “(III) of the difference between—

8 “(aa) the cost of attendance at  
9 the institution; and

10 “(bb) the student’s estimated fi-  
11 nancial assistance received under this  
12 title and other assistance known to  
13 the institution, as applicable; and

14 “(ii) provide the certification described in  
15 clause (i), or notify the private educational  
16 lender that the institution has received the re-  
17 quest for certification and will need additional  
18 time to comply with the certification request—

19 “(I) within 15 business days of receipt  
20 of such certification request; and

21 “(II) only after the institution has  
22 completed the activities described in sub-  
23 paragraph (B).

1           “(B) The institution shall, upon receipt of a  
2 certification request described in subparagraph  
3 (A)(i), and prior to providing such certification—

4           “(i) determine whether the student who  
5 initiated the application for the private edu-  
6 cation loan, or on whose behalf the application  
7 was initiated, has applied for and exhausted the  
8 Federal financial assistance available to such  
9 student under this title and inform the student  
10 accordingly; and

11           “(ii) provide the borrower whose loan ap-  
12 plication has prompted the certification request  
13 by a private education lender, as described in  
14 subparagraph (A)(i), with the following infor-  
15 mation and disclosures:

16           “(I) If the borrower has not yet ex-  
17 hausted the financial assistance available  
18 to the borrower under this title, the  
19 amount of additional Federal student as-  
20 sistance for which the borrower is eligible  
21 and the potential advantages of Federal  
22 loans under this title, including disclosure  
23 of—

24           “(aa) the fixed interest rates and  
25 pause payment processes;

1                   “(bb) the option for and terms of  
2                   income-based repayment, loan forgive-  
3                   ness programs, and additional protec-  
4                   tions; and

5                   “(cc) the higher student loan lim-  
6                   its for dependent students whose par-  
7                   ents are not eligible for a Federal Di-  
8                   rect PLUS Loan.

9                   “(II) The borrower’s ability to select a  
10                  private educational lender of the bor-  
11                  rower’s choice.

12                  “(III) The impact of a proposed pri-  
13                  vate education loan on the borrower’s po-  
14                  tential eligibility for other financial assist-  
15                  ance, including Federal financial assistance  
16                  under this title.

17                  “(IV) The borrower’s right to accept  
18                  or reject a private education loan within  
19                  the 30-day period following a private edu-  
20                  cational lender’s approval of a borrower’s  
21                  application and about a borrower’s 3-day  
22                  right to cancel period under section  
23                  128(e)(7) of the Truth in Lending Act (15  
24                  U.S.C. 1650(e)(7)).

1           “(C) For purposes of this paragraph, the terms  
2           ‘private educational lender’ and ‘private education  
3           loan’ have the meanings given such terms in section  
4           140 of the Truth in Lending Act (15 U.S.C.  
5           1650).”.

6           (2) NATIONAL STUDENT LOAN DATA SYSTEM.—  
7           Section 485B (20 U.S.C. 1092b) is amended—

8                   (A) in subsection (a), by striking “and  
9                   loans made under parts D and E” and insert-  
10                   ing “, loans made under parts D and E, and  
11                   private education loans (in accordance with sub-  
12                   section (i))”;

13                   (B) in subsection (f), by inserting “FOR  
14                   FEDERAL LOANS” after “DATA REPORTING”;  
15                   and

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

17           “(i) PRIVATE EDUCATION LOAN REPORTING.—The  
18           Secretary shall include in the National Student Loan Data  
19           System the information regarding private education loans  
20           that the Director of the Consumer Financial Protection  
21           Bureau, in coordination with the Secretary, determines  
22           necessary to be included pursuant to section  
23           128(e)(9)(B)(ii) of the Truth in Lending Act (15 U.S.C.  
24           1638(e)(9)(B)(ii)).”.



1           (3) EFFECTIVE DATE.—The amendments made  
2           by paragraphs (1) and (2) shall take effect on the  
3           effective date of the regulations described in sub-  
4           section (b)(3).

5           (b) AMENDMENTS TO THE TRUTH IN LENDING  
6           ACT.—

7           (1) IN GENERAL.—Section 128(e) of the Truth  
8           in Lending Act (15 U.S.C. 1638(e)) is amended—

9                   (A) by striking paragraph (3) and insert-  
10                  ing the following:

11                  “(3) INSTITUTIONAL CERTIFICATION RE-  
12                  QUIRED.—

13                   “(A) IN GENERAL.—Except as provided in  
14                   subparagraph (B), before a private educational  
15                   lender may issue any funds with respect to a  
16                   private education loan, the private educational  
17                   lender shall obtain, from the relevant institution  
18                   of higher education where such loan is to be  
19                   used for a student, a certification in accordance  
20                   with section 485(a)(28)(A) of the Higher Edu-  
21                   cation Act of 1965 (20 U.S.C.  
22                   1094(a)(28)(A))—

23                           “(i) confirming that the student is en-  
24                           rolled or is scheduled to enroll at the insti-  
25                           tution; and

1 “(ii) stating—

2 “(I) the student’s cost of attend-  
3 ance at the institution, as determined  
4 by the institution under part F of title  
5 IV of the Higher Education Act of  
6 1965 (20 U.S.C. 1087kk et seq.); and

7 “(II) the difference between—

8 “(aa) such cost of attend-  
9 ance; and

10 “(bb) the student’s esti-  
11 mated financial assistance, in-  
12 cluding such assistance received  
13 under title IV of the Higher Edu-  
14 cation Act of 1965 (20 U.S.C.  
15 1070 et seq.) and other financial  
16 assistance known to the institu-  
17 tion, as applicable.

18 “(B) TIMING.—Pursuant to section  
19 485(a)(28)(A) of the Higher Education Act of  
20 1965 (20 U.S.C. 1094(a)(28)(A)), a private  
21 education lender shall receive the certification  
22 described in subparagraph (A) within 15 days  
23 of a request by the private education lender,  
24 unless the institution of higher education noti-  
25 fies the private educational lender pursuant to

1 section 485(a)(28)(A)(ii) of such Act that addi-  
2 tional time is needed.

3 “(C) ADDITIONAL REQUIREMENTS.—Upon  
4 receiving the certification described in subpara-  
5 graph (A) for a private education loan, the pri-  
6 vate educational lender—

7 “(i) may proceed to issue funds with  
8 respect to the private education loan; and

9 “(ii) after issuing the private edu-  
10 cation loan, shall—

11 “(I) notify the institution of  
12 higher education involved that the pri-  
13 vate education loan has been issued to  
14 the borrower, and the amount of such  
15 loan; and

16 “(II) provide the Director of the  
17 Consumer Financial Protection Bu-  
18 reau and the Secretary of Education  
19 with the information described in  
20 paragraph (9)(B).”;

21 (B) by redesignating paragraphs (9), (10),  
22 and (11) as paragraphs (10), (11), and (12),  
23 respectively; and

24 (C) by inserting after paragraph (8) the  
25 following:

1 “(9) PROVISION OF INFORMATION.—

2 “(A) PROVISION OF INFORMATION TO BOR-  
3 ROWERS.—

4 “(i) LOAN STATEMENTS.—A private  
5 educational lender that issues any funds  
6 with respect to a private education loan  
7 shall—

8 “(I) send loan statements, if the  
9 loan is to be used for a student, to  
10 borrowers of the funds not less than  
11 once every 3 months during the time  
12 that the student is enrolled at an in-  
13 stitution of higher education; and

14 “(II) in the case of a private edu-  
15 cation loan that includes a cosigner,  
16 annually send a loan statement to the  
17 borrower’s cosigner, notifying the co-  
18 signer of the terms, conditions, and  
19 status of such private education loan.

20 “(ii) CONTENTS OF LOAN STATE-  
21 MENT.—Each statement described in  
22 clause (i) shall—

23 “(I) report the borrower’s total  
24 remaining debt to the private edu-  
25 cational lender, including accrued but

1                   unpaid interest and capitalized inter-  
2                   est;

3                   “(II) report any debt increases  
4                   since the last statement; and

5                   “(III) list the current interest  
6                   rate for each loan.

7                   “(B) PROVISION OF INFORMATION TO  
8                   FEDERAL AGENCIES.—

9                   “(i) INFORMATION FROM LENDER.—  
10                  Each private educational lender shall—

11                   “(I) submit to the Director of the  
12                   Consumer Financial Protection Bu-  
13                   reau and the Secretary of Education  
14                   such information regarding a private  
15                   education loan as may be determined  
16                   necessary by the Director and the  
17                   Secretary under clause (ii) for inclu-  
18                   sion in the National Student Loan  
19                   Data System under section 485B(i) of  
20                   the Higher Education Act of 1965 (20  
21                   U.S.C. 1092b(i)); and

22                   “(II) prepare and submit an an-  
23                   nual report to the Consumer Finan-  
24                   cial Protection Bureau regarding the

1 private education loans issued by the  
2 private educational lender.

3 “(ii) PROMULGATION OF REGULA-  
4 TIONS.—Not later than 1 year after the  
5 date of enactment of the Affordable Loans  
6 for Any Student Act, the Director of the  
7 Consumer Financial Protection Bureau, in  
8 coordination with the Secretary of Edu-  
9 cation, shall promulgate regulations re-  
10 garding the private education loan infor-  
11 mation required to be submitted under  
12 clause (i), including the content, method,  
13 and format for submission. The informa-  
14 tion required for inclusion in the National  
15 Student Loan Data System shall include,  
16 at a minimum—

17 “(I) information identifying the  
18 borrower, including the borrower’s  
19 name and social security number;

20 “(II) the name of the institution  
21 of higher education that has certified  
22 the private education loan;

23 “(III) the name of the lender;

24 “(IV) the amount of the private  
25 education loan;

1                   “(V) the term, or other enroll-  
2                   ment period, for which the private  
3                   education loan is issued; and

4                   “(VI) whether a cosigner was re-  
5                   quired as a condition of the private  
6                   education loan.”.

7                   (2) DEFINITION OF PRIVATE EDUCATION  
8                   LOAN.—Section 140(a)(8)(A) of the Truth in Lend-  
9                   ing Act (15 U.S.C. 1650(a)(8)(A)) is amended—

10                   (A) by redesignating clause (ii) as clause  
11                   (iii);

12                   (B) in clause (i), by striking “and” after  
13                   the semicolon; and

14                   (C) by adding after clause (i) the following:

15                   “(ii) is not made, insured, or guaran-  
16                   teed under title VII or title VIII of the  
17                   Public Health Service Act (42 U.S.C. 292  
18                   et seq. and 296 et seq.); and”.

19                   (3) REGULATIONS.—

20                   (A) IN GENERAL.—Not later than 1 year  
21                   after the date of enactment of this Act, the Di-  
22                   rector of the Consumer Financial Protection  
23                   Bureau, in coordination with the Secretary of  
24                   Education, shall promulgate regulations to im-  
25                   plement paragraphs (3) and (9) of section

1 128(e) of the Truth in Lending Act (15 U.S.C.  
2 1638(e)), as amended by paragraph (1) of this  
3 subsection.

4 (B) EFFECTIVE DATE.—The regulations  
5 promulgated under subparagraph (A) shall take  
6 effect on the date that is 180 days after the  
7 date on which the regulations are promulgated.

8 **TITLE V—EFFECTIVE DATE;**  
9 **TRANSITION**

10 **SEC. 501. EFFECTIVE DATE; RULEMAKING REGARDING TER-**  
11 **MINATION OF CERTAIN REPAYMENT PLANS.**

12 (a) EFFECTIVE DATE.—Except as otherwise specifi-  
13 cally provided, this Act, and the amendments made by this  
14 Act, shall take effect on July 1, 2019.

15 (b) APPLICABILITY WITH RESPECT TO INTEREST  
16 CAPITALIZATION.—Section 201, and the amendments  
17 made by such section, shall apply with respect to loans  
18 made, insured, or guaranteed under part B or D of title  
19 IV of the Higher Education Act of 1965 (20 U.S.C. 1071  
20 et seq., 1087a et seq.) that—

21 (1) as of the effective date described in sub-  
22 section (a), are not currently in a period where in-  
23 terest is capitalized under such part; or

24 (2) in the case of a loan that, as of the effective  
25 date described in subsection (a), is in a period where



1 interest is accruing and not added, but will be cap-  
2 italized under such part, the day after the interest  
3 is capitalized under such part, as in effect before the  
4 effective date.

5 (c) APPLICABILITY WITH RESPECT TO FORBEAR-  
6 ANCE AND DEFERMENT FOR DIRECT LOAN BOR-  
7 ROWERS.—With respect to any borrower of a loan under  
8 part D of title IV of the Higher Education Act of 1965  
9 (20 U.S.C. 1087a et seq.) that is, or has been, in forbear-  
10 ance or deferment as of the day before the effective date  
11 described in subsection (a), the Secretary shall take such  
12 steps as are necessary—

13 (1) to transfer a borrower with a loan in for-  
14 bearance or deferment as of such day automatically  
15 into relief provided under the pause payment process  
16 established under section 460B of such Act (as  
17 amended by this Act); and

18 (2) to ensure that the period of time for which  
19 a borrower is eligible for pause payment under such  
20 section 460B for a loan is appropriately reduced to  
21 account for any time the loan was previously in for-  
22 bearance or deferment.

23 (d) REGULATIONS.—Before the effective date de-  
24 scribed in subsection (a), the Secretary of Education shall  
25 carry out a plan to end all eligibility for repayment plans

1 other than a fixed repayment plan described in section  
2 493E of the Higher Education Act of 1965 (20 U.S.C.  
3 1098b) and an income-based repayment plan under sec-  
4 tion 493C(c) of such Act (20 U.S.C. 1098e(f)) for loans  
5 made under part B or D of title IV of such Act, unless  
6 the borrower is enrolled in another repayment plan before  
7 such effective date, in accordance with the amendments  
8 made by this Act.