

116TH CONGRESS  
2D SESSION

# H. R. 7294

To suspend Federal Perkins Loans repayments during the COVID–19 pandemic, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 2020

Ms. PORTER (for herself, Ms. STEFANIK, Mrs. TRAHAN, Ms. ADAMS, and Mrs. LEE of Nevada) introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committees on the Judiciary, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To suspend Federal Perkins Loans repayments during the COVID–19 pandemic, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “COVID–19 Perkins  
5 Loan Relief Act”.

6 **SEC. 2. LOWERING RATES FOR BORROWERS WITH FED-**  
7 **ERAL PERKINS LOANS.**

8 (a) **SUSPENSION OF INTEREST.—**

1           (1) SUSPENSION OF INTEREST.—The Secretary  
2 of Education shall require holders of Federal Per-  
3 kins Loans to suspend the accrual of interest on  
4 such loans during the COVID–19 pandemic.

5           (2) REQUIREMENTS.—Under the program and  
6 effective as of March 13, 2020, all holders of Fed-  
7 eral Perkins Loans shall—

8                   (A) provide that no interest shall accrue on  
9 Federal Perkins Loans until September 30,  
10 2020; and

11                   (B) provide a report to the Secretary of  
12 Education not later than 30 days after the date  
13 of the enactment of this Act confirming that no  
14 interest has accrued on such loans as of March  
15 13, 2020.

16           (3) REPAYMENT OF INTEREST.—The Secretary  
17 of Education shall make payments to the holders of  
18 Federal Perkins Loans on behalf of each borrower of  
19 such a Federal Perkins Loan in an amount equal to  
20 the total amount of the interest suspended under  
21 paragraph (1) with respect to such Federal Perkins  
22 Loan.

23           (b) SUSPENSION OF PAYMENTS.—

24                   (1) IN GENERAL.—Notwithstanding any other  
25 provision of the Higher Education Act of 1965 (20

1 U.S.C. 1071 et seq.), the Secretary of Education  
2 shall require institutions of higher education to sus-  
3 pend all payments due from borrowers through Sep-  
4 tember 30, 2020.

5 (2) CONSIDERATION OF PAYMENTS.—Notwith-  
6 standing any other provision of the Higher Edu-  
7 cation Act of 1965 (20 U.S.C. 1001 et seq.), the  
8 Secretary of Education shall deem each month for  
9 which a loan payment was suspended under this  
10 subsection as if the borrower of the loan had made  
11 a qualified payment for the purpose of any loan for-  
12 giveness program and loan rehabilitation program  
13 authorized under the Higher Education Act of 1965  
14 (20 U.S.C. 1071 et seq.).

15 (3) REPORTING TO CONSUMER REPORTING  
16 AGENCIES.—During the period in which the bor-  
17 rower payments on a loan are suspended under this  
18 subsection, the Secretary of Education shall ensure  
19 that, for the purpose of reporting information about  
20 the loan to a consumer reporting agency, any pay-  
21 ment that has been suspended is treated as if it  
22 were a regularly scheduled payment made by a bor-  
23 rower.

24 (c) SUSPENSION OF INVOLUNTARY COLLECTION.—

1           (1) COLLECTION BY INSTITUTIONS.—Notwith-  
2 standing any other provision of the Higher Edu-  
3 cation Act of 1965 (20 U.S.C. 1071 et seq.), the  
4 Secretary of Education shall require that institutions  
5 of higher education to suspend all involuntary collec-  
6 tion related to Federal Perkins Loans, through Sep-  
7 tember 30, 2020, including collecting a past due  
8 Federal Perkins Loan, assign any Federal Perkins  
9 Loan to a collection agency, or litigating with re-  
10 spect to such loan.

11           (2) COLLECTION BY SECRETARY.—During the  
12 period beginning on the date of the enactment of  
13 this section and ending on September 30, 2020, the  
14 following provisions may not apply with respect to a  
15 Federal Perkins Loan:

16           (A) A wage garnishment authorized under  
17 section 488A of the Higher Education Act of  
18 1965 (20 U.S.C. 1095a) or section 3720D of  
19 title 31, United States Code.

20           (B) A reduction of tax refund by amount  
21 of debt authorized under section 3720A of title  
22 31, United States Code, or section 6402(d) of  
23 the Internal Revenue Code of 1986.

24           (C) A reduction of any other Federal ben-  
25 efit payment by administrative offset authorized

1 under section 3716 of title 31, United States  
2 Code (including a benefit payment due to an in-  
3 dividual under the Social Security Act or any  
4 other provision described in subsection  
5 (e)(3)(A)(i) of such section).

6 (D) Any other involuntary collection activ-  
7 ity by the Secretary of Education.

8 (d) NOTICE TO BORROWERS AND TRANSITION PE-  
9 RIOD.—To inform borrowers of the actions taken in ac-  
10 cordance with this section and ensure an effective transi-  
11 tion, the Secretary of Education shall require institutions  
12 of higher education to—

13 (1) not later than 15 days after the date of the  
14 enactment of this Act, notify borrowers—

15 (A) of the actions taken in accordance with  
16 this section for whom payments have been sus-  
17 pended and no interest shall accrue;

18 (B) of the actions taken in accordance with  
19 subsection (e) for whom collections have been  
20 suspended;

21 (C) of the option to continue making pay-  
22 ments toward principal; and

23 (D) that the program under this section  
24 shall only be provided during the COVID-19  
25 pandemic; and

1           (2) beginning on August 1, 2020, carry out a  
2           program to provide not less than 6 notices by postal  
3           mail, telephone, or electronic communication to bor-  
4           rowers indicating when the borrower’s normal pay-  
5           ment obligations will resume.

6           (e) WAIVERS.—In carrying out this section, the Sec-  
7           retary of Education may waive the application of—

8           (1) subchapter I of chapter 35 of title 44,  
9           United States Code (commonly known as the “Pa-  
10          perwork Reduction Act”);

11          (2) the master calendar requirements under  
12          section 482 of the Higher Education Act of 1965  
13          (20 U.S.C. 1089);

14          (3) negotiated rulemaking under section 492 of  
15          the Higher Education Act of 1965 (20 U.S.C.  
16          1098a); and

17          (4) the requirement to publish the notices re-  
18          lated to the system of records of the agency before  
19          implementation required under paragraphs (4) and  
20          (11) of section 552a(e) of title 5, United States  
21          Code (commonly known as the “Privacy Act of  
22          1974”), except that the notices shall be published  
23          not later than 180 days after the date of enactment  
24          of this Act.

1           (f) EFFECTIVE DATE.—This section shall take effect  
2 as if included in the enactment of the CARES Act (Public  
3 Law 116–136).

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