

117TH CONGRESS
1ST SESSION

H. R. 394

To expand loan relief to all Federal student loan borrowers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 2021

Mr. COURTNEY (for himself, Mrs. HAYES, Ms. WILD, Ms. WILLIAMS of Georgia, Mr. COHEN, Mr. PERLMUTTER, Mr. HIMES, Mr. LARSON of Connecticut, Mr. SWALWELL, Mr. KILMER, Ms. DELBENE, Mr. WELCH, Ms. UNDERWOOD, and Mr. MICHAEL F. DOYLE of Pennsylvania) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To expand loan relief to all Federal student loan 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.**

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

1 **SEC. 2. EXPANDING LOAN RELIEF TO ALL FEDERAL STU-**
2 **DENT LOAN BORROWERS.**

3 Section 3502(a) of division A of the Coronavirus Aid,
4 Relief, and Economic Security Act (Public Law 116–136)
5 is amended—

6 (1) by redesignating paragraphs (2) through
7 (5) as paragraphs (3) through (6), respectively; and

8 (2) by inserting after paragraph (1) the fol-
9 lowing:

10 “(2) FEDERAL STUDENT LOAN.—The term
11 ‘Federal student loan’ means a loan—

12 “(A) made under part D, part B, or part
13 E of title IV of the Higher Education Act of
14 1965 (20 U.S.C. 1070 et seq.), and held by the
15 Department of Education;

16 “(B) made, insured, or guaranteed under
17 part B of such title, or made under part E of
18 such title, and not held by the Department of
19 Education; or

20 “(C) made under—

21 “(i) subpart II of part A of title VII
22 of the Public Health Service Act (42
23 U.S.C. 292q et seq.); or

24 “(ii) part E of title VIII of the Public
25 Health Service Act (42 U.S.C. 297a et
26 seq.).”.

1 **SEC. 3. EXTENDING THE LENGTH OF BORROWER RELIEF**
2 **DUE TO THE CORONAVIRUS EMERGENCY.**

3 Section 3513 of division A of the Coronavirus Aid,
4 Relief, and Economic Security Act (Public Law 116–136)
5 is amended—

6 (1) by amending subsection (a) to read as fol-
7 lows:

8 “(a) **SUSPENSION OF PAYMENTS.**—

9 “(1) **IN GENERAL.**—During the period begin-
10 ning on March 13, 2020, and ending 30 days after
11 the termination date of the public health emergency
12 declared by the Secretary of Health and Human
13 Services on January 31, 2020, under section 319 of
14 the Public Health Services Act (42 U.S.C. 247d) in
15 response to COVID–19, the Secretary or, as applica-
16 ble, the Secretary of Health and Human Services,
17 shall suspend all payments due on Federal student
18 loans.

19 “(2) **TRANSITION PERIOD.**—For one additional
20 30-day period beginning on the day after the last
21 day of the suspension period described in subsection
22 (a), the Secretary or, as applicable, the Secretary of
23 Health and Human Services, shall ensure that any
24 missed payments on a Federal student loan by a
25 borrower during such additional 30-day period—

1 “(A) do not result in collection fees or pen-
2 alties associated with late payments; and

3 “(B) are not reported to any consumer re-
4 porting agency or otherwise impact the bor-
5 rower’s credit history.

6 “(3) DETERMINATION OF COMPENSATION.—
7 The Secretary or, as applicable, the Secretary of
8 Health and Human Services shall—

9 “(A) with respect to a holder of a Federal
10 student loan defined in subparagraph (B) or
11 (C) of section 3502(a)(2)—

12 “(i) determine any losses for such
13 holder due to the suspension of payments
14 on such loan under paragraph (1); and

15 “(ii) establish reasonable compensa-
16 tion for such losses; and

17 “(B) not later than 60 days after the date
18 of enactment of the COVID–19 Student Loan
19 Relief Extension Act, with respect to a borrower
20 who made a payment on a Federal student loan
21 defined in subparagraph (B) or (C) of section
22 3502(a)(2) during the period beginning on
23 March 13, 2020, and ending on such date of
24 enactment, the Secretary shall pay to the bor-
25 rower, an amount equal to the lower of—

1 “(i) the amount paid by the borrower
2 on such loan during such period; or

3 “(ii) the amount that was due on such
4 loan during such period.

5 “(4) RECERTIFICATION.—A borrower who is re-
6 paying a Federal student loan pursuant to an in-
7 come-contingent repayment plan under section
8 455(d)(1)(D) of the Higher Education Act of 1965
9 (20 U.S.C. 1087e(d)(1)(D)) or an income-based re-
10 payment plan under section 493C of such Act (20
11 U.S.C. 1098e) shall not be required to recertify the
12 income or family size of the borrower under such
13 plan prior to December 31, 2021.”;

14 (2) in subsection (c), by striking “part D or B
15 of title IV of the Higher Education Act of 1965 (20
16 U.S.C. 1087a et seq.; 1071 et seq.)” and inserting
17 “part B, D, or E of title IV of the Higher Education
18 Act of 1965 (20 U.S.C. 1087a et seq.; 1071 et seq.;
19 1087aa et seq.)”;

20 (3) in subsection (d), by striking “During the
21 period in which the Secretary suspends payments on
22 a loan under subsection (a), the Secretary” and in-
23 serting “During the period in which payments on a
24 Federal student loan are suspended under subsection

1 (a), the Secretary or, as applicable, the Secretary of
2 Health and Human Services”;

3 (4) in subsection (e), by striking “During the
4 period in which the Secretary suspends payments on
5 a loan under subsection (a), the Secretary” and in-
6 serting “During the period in which payments on a
7 Federal student loan are suspended under subsection
8 (a), the Secretary or, as applicable, the Secretary of
9 Health and Human Services”; and

10 (5) in subsection (f), by striking “the Sec-
11 retary” and inserting “the Secretary or, as applica-
12 ble, the Secretary of Health and Human Services,”.

13 **SEC. 4. NO INTEREST ACCRUAL.**

14 Section 3513(b) of division A of the Coronavirus Aid,
15 Relief, and Economic Security Act (Public Law 116–136)
16 is amended to read as follows:

17 “(b) PROVIDING INTEREST RELIEF.—

18 “(1) NO ACCRUAL OF INTEREST.—

19 “(A) IN GENERAL.—During the period de-
20 scribed in subparagraph (D), interest on a Fed-
21 eral student loan shall not accrue or shall be
22 paid by the Secretary (or the Secretary of
23 Health and Human Services) during—

24 “(i) the repayment period of such
25 loan;

1 “(ii) any period excluded from the re-
2 payment period of such loan (including any
3 period of deferment or forbearance);

4 “(iii) any period in which the bor-
5 rower of such loan is in a grace period; or

6 “(iv) any period in which the borrower
7 of such loan is in default on such loan.

8 “(B) DIRECT LOANS AND DEPARTMENT OF
9 EDUCATION HELD FFEL AND PERKINS
10 LOANS.—For purposes of subparagraph (A), in-
11 terest shall not accrue on a Federal student
12 loan defined in section 3502(a)(2)(A).

13 “(C) FFEL AND PERKINS LOANS NOT
14 HELD BY THE DEPARTMENT OF EDUCATION
15 AND HHS LOANS.—For purposes of subpara-
16 graph (A)—

17 “(i) in the case of a Federal student
18 loan defined in section 3502(a)(2)(B), the
19 Secretary shall pay, on a monthly basis,
20 the amount of interest due on the unpaid
21 principal of such loan to the holder of such
22 loan, except that any payments made
23 under this clause shall not affect payment
24 calculations under section 438 of the High-

1 er Education Act of 1965 (20 U.S.C.
2 1087–1); and

3 “(ii) in the case of a Federal student
4 loan defined in section 3502(a)(2)(C), the
5 Secretary of Health and Human Services
6 shall pay, on a monthly basis, the amount
7 of interest due on the unpaid principal of
8 such loan to the holder of such loan.

9 “(D) PERIOD DESCRIBED.—

10 “(i) IN GENERAL.—The period de-
11 scribed in this subparagraph is the period
12 beginning on March 13, 2020, and ending
13 the day following the date of the enact-
14 ment of the COVID–19 Student Loan Re-
15 lief Extension Act that is 2 months after
16 the national U–5 measure of labor under-
17 utilization shows initial signs of recovery.

18 “(ii) DEFINITIONS.—In this subpara-
19 graph:

20 “(I) NATIONAL U–5 MEASURE OF
21 LABOR UNDERUTILIZATION.—The
22 term ‘national U–5 measure of labor
23 underutilization’ means the season-
24 ally-adjusted, monthly U–5 measure

1 of labor underutilization published by
2 the Bureau of Labor Statistics.

3 “(II) INITIAL SIGNS OF RECOV-
4 ERY.—The term ‘initial signs of recov-
5 ery’ means that the average national
6 U–5 measure of labor underutilization
7 for months in the most recent 3-con-
8 secutive-month period for which data
9 are available—

10 “(aa) is lower than the high-
11 est value of the average national
12 U–5 measure of labor under-
13 tilization for a 3-consecutive-
14 month period during the period
15 beginning in March 2020 and the
16 most recent month for which
17 data from the Bureau of Labor
18 Statistics are available by an
19 amount that is equal to or great-
20 er than one-third of the dif-
21 ference between—

22 “(AA) the highest value
23 of the average national U–5
24 measure of labor under-
25 tilization for a 3-consecu-

1 tive-month period during
2 such period; and

3 “(BB) the value of the
4 average national U–5 meas-
5 ure of labor underutilization
6 for the 3-consecutive-month
7 period ending in February
8 2020; and

9 “(bb) has decreased for each
10 month during the most recent 2
11 consecutive months for which
12 data from the Bureau of Labor
13 Statistics are available.

14 “(E) OTHER DEFINITIONS.—In this para-
15 graph:

16 “(i) DEFAULT.—The term ‘default’—
17 “(I) in the case of a Federal stu-
18 dent loan made, insured, or guaran-
19 teed under part B or D of the Higher
20 Education Act of 1965, has the mean-
21 ing given such term in section 435(l)
22 of the Higher Education Act of 1965
23 (20 U.S.C. 1085);

24 “(II) in the case of a Federal
25 student loan made under part E of

1 the Higher Education Act of 1965,
2 has the meaning given such term in
3 section 674.2 of title 34, Code of Fed-
4 eral Regulations (or successor regula-
5 tions); or

6 “(III) in the case of a Federal
7 student loan defined in section
8 3502(a)(2)(C), has the meaning given
9 such term in section 721 or 835 of
10 the Public Health Service Act (42
11 U.S.C. 292q, 297a), as applicable.

12 “(ii) GRACE PERIOD.—The term
13 ‘grace period’ means—

14 “(I) in the case of a Federal stu-
15 dent loan made, insured, or guaran-
16 teed under part B or D of the Higher
17 Education Act of 1965, the 6-month
18 period after the date the student
19 ceases to carry at least one-half the
20 normal full-time academic workload,
21 as described in section 428(b)(7) of
22 the Higher Education Act of 1965 (20
23 U.S.C. 1078(b)(7));

24 “(II) in the case of a Federal
25 student loan made under part E of

1 the Higher Education Act of 1965,
2 the 9-month period after the date on
3 which a student ceases to carry at
4 least one-half the normal full-time
5 academic workload, as described in
6 section 464(c)(1)(A) of the Higher
7 Education Act of 1965 (20 U.S.C.
8 1087dd(c)(1)(A)); and

9 “(III) in the case of a Federal
10 student loan defined in section
11 3502(a)(2)(C), the 1-year period de-
12 scribed in section 722(c) of the Public
13 Health Service Act (42 U.S.C.
14 292r(c)) or the 9-month period de-
15 scribed in section 836(b)(2) of such
16 Act (42 U.S.C. 297b(b)(2)), as appli-
17 cable.

18 “(iii) REPAYMENT PERIOD.—The
19 term ‘repayment period’ means—

20 “(I) in the case of a Federal stu-
21 dent loan made, insured, or guaran-
22 teed under part B or D of the Higher
23 Education Act of 1965, the repayment
24 period described in section 428(b)(7)

1 of the Higher Education Act of 1965
2 (20 U.S.C. 1078(b)(7));

3 “(II) in the case of a Federal
4 student loan made under part E of
5 the Higher Education Act of 1965,
6 the repayment period described in sec-
7 tion 464(c)(4) of the Higher Edu-
8 cation Act of 1965 (20 U.S.C.
9 1087dd(c)(4)); or

10 “(III) in the case of a Federal
11 student loan defined in section
12 3502(a)(2)(C), the repayment period
13 described in section 722(e) or
14 836(b)(2) of the Public Health Serv-
15 ice Act (42 U.S.C. 292r(e),
16 297b(b)(2)), as applicable.

17 “(2) INTEREST REFUND IN LIEU OF RETRO-
18 ACTIVE APPLICABILITY.—By not later than 60 days
19 after the date of enactment of the COVID–19 Stu-
20 dent Loan Relief Extension Act, the Secretary or, as
21 applicable, the Secretary of Health and Human
22 Services, shall, for each Federal student loan defined
23 in subparagraph (B) or (C) of section 3502(a)(2) for
24 which interest was not paid by such Secretary pur-
25 suant to paragraph (1) during the period beginning

1 on March 13, 2020 and ending on such date of en-
2 actment—

3 “(A) determine the amount of interest due
4 (or that would have been due in the absence of
5 being voluntarily paid by the holder of such
6 loan) on such loan during the period beginning
7 March 13, 2020, and ending on such date of
8 enactment; and

9 “(B) refund the amount of interest cal-
10 culated under subparagraph (A), by—

11 “(i) paying the holder of the loan the
12 amount of the interest calculated under
13 subparagraph (A), to be applied to the
14 loan balance for the borrower of such loan;
15 or

16 “(ii) if there is no outstanding balance
17 or payment due on the loan as of the date
18 on which the refund is to be provided, pro-
19 viding a payment in the amount of the in-
20 terest calculated under subparagraph (A)
21 directly to the borrower.

22 “(3) SUSPENSION OF INTEREST CAPITALIZA-
23 TION.—

24 “(A) IN GENERAL.—With respect to any
25 Federal student loan, interest that accrued but

1 had not been paid prior to March 13, 2020, and
2 had not been capitalized as of such date, shall
3 not be capitalized.

4 “(B) TRANSITION.—The Secretary or, as
5 applicable, the Secretary of Health and Human
6 Services, shall ensure that any interest on a
7 Federal student loan that is capitalized in viola-
8 tion of subparagraph (A) is corrected and the
9 balance of principal and interest due for the
10 Federal student loan is adjusted accordingly.”.

11 **SEC. 5. NOTICE TO BORROWERS.**

12 Section 3513(g) of division A of the Coronavirus Aid,
13 Relief, and Economic Security Act (Public Law 116–136)
14 is amended—

15 (1) in the matter preceding paragraph (1), by
16 striking “the Secretary” and inserting “the Sec-
17 retary or, as applicable, the Secretary of Health and
18 Human Services,”;

19 (2) in paragraph (1)(D), by striking the period
20 and inserting a semicolon;

21 (3) in paragraph (2)—

22 (A) in the matter preceding subparagraph
23 (A), by striking “August 1, 2020” and insert-
24 ing “August 1, 2021”;

1 (B) by amending subparagraph (B) to read
2 as follows:

3 “(B) that—

4 “(i) a borrower of a Federal student
5 loan made, insured, or guaranteed under
6 part B or D of title IV of the Higher Edu-
7 cation Act of 1965 may be eligible to enroll
8 in an income-contingent repayment plan
9 under section 455(d)(1)(D) of the Higher
10 Education Act of 1965 (20 U.S.C.
11 1087e(d)(1)(D)) or an income-based repay-
12 ment plan under section 493C of such Act
13 (20 U.S.C. 1098e), including a brief de-
14 scription of such repayment plans; and

15 “(ii) in the case of a borrower of a
16 Federal student loan defined in section
17 3502(a)(2)(C) or made under part E of
18 title IV of the Higher Education of 1965,
19 the borrower may be eligible to enroll in
20 such a repayment plan if the borrower con-
21 solidates such loan with a loan described in
22 clause (i) of this subparagraph, and re-
23 ceives a Federal Direct Consolidation Loan
24 under part D of the Higher Education of
25 1965 (20 U.S.C. 1087a et seq.); and”;

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

2 “(3) in a case in which the accrual of interest
3 on Federal student loans is suspended under sub-
4 section (b)(1) beyond September 30, 2021, during
5 the 2-month period beginning on the date on which
6 the national U–5 measure of labor underutilization
7 shows initial signs of recovery (as such terms are de-
8 fined in subsection (b)(1)(D)) carry out a program
9 to provide not less than 6 notices by postal mail,
10 telephone, or electronic communication to bor-
11 rowers—

12 “(A) indicating when the interest on Fed-
13 eral student loans of the borrower will resume
14 accrual and capitalization; and

15 “(B) the information described in para-
16 graph (2)(B).”.

○