

119TH CONGRESS  
1ST SESSION

# S. 3070

To provide Federal student loan borrower relief for Federal employees.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2025

Ms. ALSOBROOKS (for herself, Mr. VAN HOLLEN, Ms. WARREN, Mr. BLUMENTHAL, Mr. WARNER, Ms. HIRONO, Mr. WYDEN, Mr. KIM, Mr. MARKEY, Mr. LUJÁN, Mr. MERKLEY, Mr. KAINE, Mr. SANDERS, Mr. BOOKER, and Mrs. GILLIBRAND) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To provide Federal student loan borrower relief for Federal employees.

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 “Shutdown Student  
5 Loans for Feds Act”.

6 **SEC. 2. FEDERAL STUDENT LOAN BORROWER RELIEF FOR**  
7 **FEDERAL EMPLOYEES.**

8 (a) DEFINITIONS.—In this section—

1           (1) the term “agency” means each authority of  
2       the executive, legislative, or judicial branch of the  
3       Government of the United States; and

4           (2) the term “covered individual”—

5                (A) means an employee of an agency, with-  
6       out regard to whether the employee is, during  
7       a period during which there is a lapse in appro-  
8       priations with respect to the agency—

9                   (i) determined to be an excepted em-  
10       ployee or an employee performing emer-  
11       gency work, as those terms are defined by  
12       the Office of Personnel Management; or

13                  (ii) subject to furlough;

14           (B) includes a contractor who—

15                  (i) as part of the ordinary job duties  
16       of the individual, provides support to any  
17       employee described in subparagraph (A);  
18       and

19                  (ii) during a lapse in appropriations  
20       with respect to the applicable agency, does  
21       not provide the services described in clause  
22       (i); and

23           (C) does not include an individual de-  
24       scribed in subparagraph (A) or (B) who, during  
25       a period during which there is a lapse in appro-

1           prios with respect to the applicable agency,  
2           is paid the basic pay ordinarily payable to the  
3           individual.

4           (b) RELIEF.—During any period in fiscal year 2026  
5 or any subsequent fiscal year during which there is a lapse  
6 in appropriations of not less than 14 days with respect  
7 to an agency, the Secretary of Education shall suspend  
8 all payments due by covered individuals for loans made  
9 under part D of title IV of the Higher Education Act of  
10 1965 (20 U.S.C. 1087a et seq.).

11          (c) NO ACCRUAL OF INTEREST.—Notwithstanding  
12 any other provision of the Higher Education Act of 1965  
13 (20 U.S.C. 1001 et seq.), interest shall not accrue on a  
14 loan described under subsection (b) for which payment  
15 was suspended for the period of the suspension.

16          (d) CONSIDERATION OF PAYMENTS.—Notwith-  
17 standing any other provision of the Higher Education Act  
18 of 1965 (20 U.S.C. 1001 et seq.), the Secretary shall deem  
19 each month for which a loan payment was suspended  
20 under this section as if the borrower of the loan had made  
21 a payment for the purpose of any loan forgiveness pro-  
22 gram authorized under part D of title IV of the Higher  
23 Education Act of 1965 (20 U.S.C. 1087a et seq.) for  
24 which the borrower would have otherwise qualified.

1 (e) REPORTING TO CONSUMER REPORTING AGEN-  
 2 CIES.—During the period in which the Secretary suspends  
 3 payments on a loan under subsection (b), the Secretary  
 4 shall ensure that, for the purpose of reporting information  
 5 about the loan to a consumer reporting agency, any pay-  
 6 ment that has been suspended is treated as if it were a  
 7 regularly scheduled payment made by a covered individual.

8 (f) RETROACTIVE EFFECTIVE DATE.—

9 (1) IN GENERAL.—This Act shall take effect as  
 10 if enacted on September 30, 2025.

11 (2) REFUNDS.—The Secretary of Education  
 12 may issue a refund for any loan payment made by  
 13 a covered individual—

14 (A) for a loan made under part D of title  
 15 IV of the Higher Education Act of 1965 (20  
 16 U.S.C. 1087a et seq.) during any period in fis-  
 17 cal year 2026 or any subsequent fiscal year  
 18 during which there is a lapse in appropriations  
 19 of not less than 14 days with respect to the  
 20 agency at which the individual is an employee;  
 21 and

22 (B) if requested by such covered indi-  
 23 vidual.

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