

106TH CONGRESS
1ST SESSION

S. 475

To amend the Higher Education Act of 1965 to increase the amount of
loan forgiveness for teachers.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 1999

Mr. SCHUMER introduced the following bill; which was read twice and referred
to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Higher Education Act of 1965 to increase
the amount of loan forgiveness for teachers.

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. INCREASE IN LOAN FORGIVENESS FOR TEACH-**

4 **ERS.**

5 (a) FEDERAL STAFFORD LOANS.—

6 (1) AMENDMENT.—Section 428J of the Higher
7 Education Act of 1965 (20 U.S.C. 1078–10) is
8 amended—

9 (A) in subsection (b)—

1 (i) by redesignating paragraph (2) as
 2 paragraph (4); and

3 (ii) in paragraph (1)—

4 (I) by amending the matter pre-
 5 ceding subparagraph (A) to read as
 6 follows:

7 “(1) has been employed as a full-time elemen-
 8 tary school or secondary school teacher;”;

9 (II) by striking subparagraph
 10 (A);

11 (III) by redesignating subpara-
 12 graphs (B) and (C) as paragraphs (2)
 13 and (3), respectively; and

14 (IV) in paragraph (2) (as redes-
 15 igned by subclause (III)), by strik-
 16 ing “and” after the semicolon;

17 (B) in subsection (c), by amending para-
 18 graph (1) to read as follows:

19 “(1) IN GENERAL.—The Secretary shall repay
 20 the amount of the loan obligations owed by a bor-
 21 rower on loans made under section 428 or 428H
 22 that are outstanding during each of the first 5 years
 23 of teaching described in subsection (b). The Sec-
 24 retary shall repay the total amount of all loan obli-
 25 gations owed by a borrower for each loan made

1 under section 428 or 428H that is outstanding after
 2 the 5th year of teaching described in subsection (b).
 3 No borrower may receive a reduction of loan obliga-
 4 tions under both this section and section 460.”;

5 (C) by striking subsections (f) and (g), and
 6 inserting the following:

7 “(f) PREVENTION OF DOUBLE BENEFITS.—No bor-
 8 rower may, for the same service, receive a benefit under
 9 both this section and subtitle D of title I of the National
 10 and Community Service Act of 1990 (42 U.S.C. 12571).”;
 11 and

12 (D) by redesignating subsection (h) as sub-
 13 section (g).

14 (2) EFFECTIVE DATE.—The amendments made
 15 by paragraph (1) shall take effect as if included in
 16 the amendment made by section 424 of the Higher
 17 Education Amendments of 1998.

18 (b) DIRECT LOANS.—

19 (1) AMENDMENT.—Section 460 of the Higher
 20 Education Act of 1965 (20 U.S.C. 1087j) is
 21 amended—

22 (A) in subsection (b)(1)—

23 (i) by redesignating subparagraph (B)
 24 as subparagraph (D); and

25 (ii) in subparagraph (A)—

1 (I) by amending the matter pre-
 2 ceding clause (i) to read as follows:

3 “(A) has been employed as a full-time ele-
 4 mentary school or secondary school teacher;”;

5 (II) by striking clause (i);

6 (III) by redesignating clauses (ii)
 7 and (iii) as subparagraphs (B) and
 8 (C), respectively; and

9 (IV) in subparagraph (B) (as re-
 10 designated by subclause (III)), by
 11 striking “and” after the semicolon;

12 (B) in subsection (c), by amending para-
 13 graph (1) to read as follows:

14 “(1) IN GENERAL.—The Secretary shall cancel
 15 the amount of the loan obligations owed by a bor-
 16 rower on a Federal Direct Stafford Loan or a Fed-
 17 eral Direct Unsubsidized Stafford Loan that are
 18 outstanding during each of the first 5 years of
 19 teaching described in subsection (b). The Secretary
 20 shall cancel the total amount of all loan obligations
 21 owed by a borrower for each such loan that is out-
 22 standing after the 5th year of teaching described in
 23 subsection (b).”;

24 (C) by striking subsections (f) and (g), and
 25 inserting the following:

1 “(f) PREVENTION OF DOUBLE BENEFITS.—No bor-
2 rower may, for the same service, receive a benefit under
3 both this section and subtitle D of title I of the National
4 and Community Service Act of 1990 (42 U.S.C. 12571).”;
5 and

6 (D) by redesignating subsection (h) as sub-
7 section (g).

8 (2) EFFECTIVE DATE.—The amendments made
9 by paragraph (1) shall take effect as if included in
10 the amendment made by section 456 of the Higher
11 Education Amendments of 1998.

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