

109TH CONGRESS
1ST SESSION

H. R. 1759

To amend title 38, United States Code, to authorize the use of educational assistance under the Montgomery GI Bill to pay Federal student loans.

IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 2005

Mr. ANDREWS introduced the following bill; which was referred to the Committee on Veterans' Affairs, and in addition to the Committee on Armed Services, 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

A BILL

To amend title 38, United States Code, to authorize the use of educational assistance under the Montgomery GI Bill to pay Federal student loans.

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 “GI Bill Flexibility
5 Act”.

1 **SEC. 2. USE OF EDUCATIONAL ASSISTANCE UNDER THE**
2 **MONTGOMERY GI BILL TO PAY FEDERAL STU-**
3 **DENT LOANS.**

4 (a) IN GENERAL.—Subchapter II of chapter 30 of
5 title 38, United States Code, is amended by inserting after
6 section 3020 the following new section:

7 **“§ 3020A. Use of educational assistance benefits for**
8 **the repayment of Federal student loans**

9 “(a) IN GENERAL.—Notwithstanding any other pro-
10 vision of this chapter, upon completion of an approved
11 course of education, an individual entitled to educational
12 assistance under this subchapter may apply amounts of
13 educational assistance otherwise available to the individual
14 under section 3015 of this title to repay some or all of
15 any Federal student loan balance owed by the individual.

16 “(b) PAYMENT METHODOLOGY.—The Secretary shall
17 make payments in such form (whether lump-sum or
18 monthly payments) and in such amounts as the individual
19 may elect for the repayment of a Federal student loan of
20 such an individual.

21 “(c) LIMITATION ON PAYMENTS.—In no event shall
22 payment of educational assistance under this section ex-
23 ceed the amount of the individual’s available entitlement
24 under this chapter.

25 “(d) ARRANGEMENTS TO MAKE PAYMENTS.—The
26 Secretary shall enter into such arrangements, and shall

1 prescribe such regulations, as may be necessary to carry
2 out this section.

3 “(e) FEDERAL STUDENT LOAN DEFINED.—In this
4 section, the term ‘Federal student loan’ means any loan
5 made under title IV of the Higher Education Act of 1965
6 (20 U.S.C. 1070 et seq.).”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 of subchapter II of chapter 30 of such title is amended
9 by inserting after the item relating to section 3020 the
10 following new item:

“3020A. Use of educational assistance benefits for the repayment of Federal
student loans.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to educational assistance paid for
13 months beginning on or after the date of the enactment
14 of this Act.

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