

109TH CONGRESS
2D SESSION

H. R. 5349

To amend the Higher Education Act of 1965 to establish a student loan forgiveness program for nurses.

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 2006

Mr. TANCREDO (for himself and Ms. LORETTA SANCHEZ of California) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Higher Education Act of 1965 to establish a student loan forgiveness program for nurses.

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 “Nurse Loan Forgive-
5 ness Act of 2006”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) According to 2005 statistics from the Amer-
9 ican Hospital Association, 118,000 nurses are need-
10 ed to fill vacancies at our nation’s hospitals, and

1 more than 75 percent of all hospital personnel va-
2 cancies are for nurses.

3 (2) According to a study by the Department of
4 Health and Human Services in 2002, the United
5 States will experience a 29 percent shortage in the
6 number of nurses needed in the United States health
7 care system by the year 2020, which translates into
8 a shortage of more than 400,000 registered nurses
9 nationwide.

10 (3) Research indicates that there is a great
11 need for health care services, especially hospitals and
12 prescription drugs, but there continues to be a 28
13 percent decrease in national licensure examination
14 for all entry-level registered nurses.

15 (4) The Department of Labor projects a 29
16 percent increase in the need for nurses nationwide
17 from 2004 to 2014, compared with a 13 percent in-
18 crease for all other occupations.

19 (5) The General Accounting Office estimates
20 that 40 percent of all registered nurses will be older
21 than age 50 by the year 2010.

22 (6) Of those registered nurses in 2004, an esti-
23 mated 16 percent have chosen to not practice in the
24 field.

1 **SEC. 3. LOAN FORGIVENESS PROGRAM ESTABLISHED.**

2 Part B of title IV of the Higher Education Act of
3 1965 is amended by inserting after section 428K (20
4 U.S.C. 1078–11) the following new section:

5 **“SEC. 428L. LOAN FORGIVENESS FOR NURSES.**

6 “(a) PURPOSES.—The purposes of this section are—

7 “(1) to encourage individuals to enter and con-
8 tinue in the nursing profession; and

9 “(2) to reward such individuals for their service
10 in the nursing profession by reducing the burden of
11 student debt.

12 “(b) LOAN FORGIVENESS.—

13 “(1) LOAN FORGIVENESS AUTHORIZED.—The
14 Secretary is authorized to forgive, in accordance
15 with this section, the student loan debt of an eligible
16 borrower in the amount specified in subsection (d)
17 for each of the first 5 complete years of service de-
18 scribed in subsection (c)(1) by such eligible borrower
19 that occur after the date of enactment of this sec-
20 tion.

21 “(2) METHOD OF LOAN FORGIVENESS.—To
22 provide the loan forgiveness authorized in paragraph
23 (1), the Secretary is authorized to carry out a pro-
24 gram—

1 “(A) through the holder of the loan, to as-
2 sume the obligation to repay a qualified loan
3 amount for a loan made under this part; and

4 “(B) to cancel a qualified loan amount for
5 a loan made under part D of this title.

6 “(3) LIMITATION ON CONSOLIDATION LOANS.—

7 A loan amount for a loan made under section 428C
8 may be a qualified loan amount for the purposes of
9 this section only to the extent that such loan amount
10 was used to repay a Federal Direct Stafford Loan,
11 a Federal Direct Unsubsidized Stafford Loan, or a
12 loan made under section 428 or 428H for an eligible
13 borrower, as determined in accordance with regula-
14 tions prescribed by the Secretary.

15 “(c) ELIGIBLE BORROWER.—The Secretary is au-
16 thorized to provide loan forgiveness under this section to
17 any individual who—

18 “(1) has been employed for at least one cal-
19 endar year as a full-time registered nurse in a health
20 care facility or a health care setting approved by the
21 Secretary of Health and Human Services for the
22 purposes of this section; and

23 “(2) is not in default on a loan for which the
24 borrower seeks forgiveness.

1 “(d) LOAN FORGIVENESS AMOUNTS.—The Secretary
2 may, from funds appropriated under subsection (j), forgive
3 the loan obligation of an eligible borrower in accordance
4 with subsection (b)(2) and in the following increments:

5 “(1) After the first calendar year of employ-
6 ment described in subsection (c)(1), not more than
7 \$2,000.

8 “(2) After the second such year of employment,
9 not more than \$2,500.

10 “(3) After the third such year of employment,
11 not more than \$3,000.

12 “(4) After the fourth such year of employment,
13 not more than \$4,500.

14 “(5) After the fifth such year of employment,
15 not more than \$5,000.

16 “(e) APPLICATION FOR LOAN FORGIVENESS.—An el-
17 igible borrower desiring loan forgiveness under this section
18 shall submit a complete and accurate application to the
19 Secretary at such time, in such manner, and containing
20 such information as the Secretary may require.

21 “(f) PRIORITY.—The Secretary shall grant loan for-
22 giveness under this section on a first-come, first-served
23 basis, and subject to the availability of appropriations.

1 “(g) REGULATIONS.—The Secretary is authorized to
2 prescribe such regulations as may be necessary to carry
3 out the provisions of this section.

4 “(h) CONSTRUCTION.—Nothing in this section shall
5 be construed to authorize the refunding of any repayment
6 of any loan.

7 “(i) 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 et seq.).

12 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to carry out this section
14 such sums as may be necessary for fiscal year 2007 and
15 each of the 5 succeeding fiscal years.”.

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