

110TH CONGRESS
1ST SESSION

H. R. 2621

To amend the Higher Education Act of 1965 to expand the loan forgiveness program for teachers, to provide a loan forgiveness program for nurses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 2007

Mrs. MCCARTHY of New York (for herself and Mr. PORTER) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Act of 1965 to expand the loan forgiveness program for teachers, to provide a loan forgiveness program for nurses, 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 “Teacher and Nurse
5 Support Act of 2007”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress finds the following:

1 (1) According to the National Center for Edu-
2 cation Statistics, over the next 10 years, the United
3 States will need more than 2,000,000 new teachers
4 to replace the teachers who are retiring or leaving
5 the classroom for other careers.

6 (2) The Hart-Rudman National Security Re-
7 port on education recommended that the President
8 direct the Department of Education to work with
9 the States to devise a comprehensive plan to avert
10 a looming shortage of high-quality teachers.

11 (3) According to the National Center for Edu-
12 cation Statistics, 20 percent of all new teachers leave
13 the teaching profession within 3 years. Providing
14 loan forgiveness or loan cancellation is one step that
15 would help retain high-quality teachers in schools
16 that need teachers.

17 (4) The American Hospital Association has re-
18 ported more than 118,000 unfilled registered nurse
19 positions in hospitals in the United States. Addition-
20 ally, the National Commission on Nursing Work-
21 force for Long-Term Care released a report in May,
22 2005, stating that there are nearly 100,000 vacant
23 nursing positions in long-term care facilities on any
24 given day, and the nurse turnover rate exceeds 50
25 percent. The shortage is costing long-term care fa-

1 cilities an estimated \$4 billion a year in recruitment
2 and training expenses.

3 (5) College loans are more of a burden than
4 ever for students and families. According to a recent
5 United States Public Interest Research Group re-
6 port, average student loan debt almost doubled from
7 \$9,200 in 1992–1993 to \$16,928 in 1999–2000.

8 (b) PURPOSE.—The purpose of this Act is to improve
9 access to, and the delivery of, high-quality educational and
10 health services throughout the United States by reducing
11 the shortage of qualified teachers and nurses.

12 **SEC. 3. LOAN FORGIVENESS.**

13 (a) LOAN FORGIVENESS.—Section 428J of the High-
14 er Education Act of 1965 (20 U.S.C. 1078–10) is amend-
15 ed to read as follows:

16 **“SEC. 428J. LOAN FORGIVENESS FOR TEACHERS AND**
17 **NURSES.**

18 “(a) STATEMENT OF PURPOSE.—It is the purpose of
19 this section to encourage individuals to enter and continue
20 in the teaching and nursing professions.

21 “(b) PROGRAM AUTHORIZED.—

22 “(1) IN GENERAL.—The Secretary shall carry
23 out a program to forgive, in accordance with this
24 section, the student loan debt of any borrower who

1 has one or more loans described under paragraph
2 (2) made on or after October 1, 1998, and who—

3 “(A) has been employed—

4 “(i) as a full-time teacher—

5 “(I) in a school that qualifies
6 under section 465(a)(2)(A) for loan
7 cancellation for Perkins loan recipi-
8 ents who teach in those schools;

9 “(II) if employed as a secondary
10 school teacher, is teaching a subject
11 area that is relevant to the borrower’s
12 academic major as certified by the
13 chief administrative officer of the pub-
14 lic or nonprofit private secondary
15 school in which the borrower is em-
16 ployed; and

17 “(III) if employed as an elemen-
18 tary school teacher, has demonstrated,
19 as certified by the chief administrative
20 officer of the public or nonprofit pri-
21 vate elementary school in which the
22 borrower is employed, knowledge and
23 teaching skills in reading, writing,
24 mathematics, and other areas of the
25 elementary school curriculum; or

1 “(ii) as a full-time eligible nurse—

2 “(I) in a clinical setting; or

3 “(II) as a member of the nursing
4 faculty at an accredited school of
5 nursing (as those terms are defined in
6 section 801 of the Public Health Serv-
7 ice Act (42 U.S.C. 296)); and

8 “(B) is not in default on a loan for which
9 the borrower seeks forgiveness.

10 “(2) METHOD OF LOAN FORGIVENESS.—To
11 provide the loan forgiveness authorized in paragraph
12 (1), the Secretary shall, subject to paragraph (3),
13 carry out a program—

14 “(A) through the holder of the loan, to as-
15 sume the obligation to repay a qualified loan
16 amount (as determined under subsection (c))
17 for a loan made under section 428 or 428H of
18 this part; and

19 “(B) to cancel a qualified loan amount (as
20 so determined) for a Federal Direct Stafford
21 Loan or a Federal Direct Unsubsidized Staf-
22 ford Loan made under part D of this title;

23 “(3) TREATMENT OF CONSOLIDATION LOANS.—
24 A loan amount for a loan made under section 428C
25 or section 455(g) may be a qualified loan amount for

1 the purposes of paragraph (2) only to the extent
2 that such loan amount was used to repay a loan
3 made under section 428 or 428H, a Federal Direct
4 Stafford Loan, or a Federal Direct Unsubsidized
5 Stafford Loan for a borrower who meets the require-
6 ments of paragraph (1), as determined in accordance
7 with regulations prescribed by the Secretary.

8 “(c) QUALIFIED LOAN AMOUNT.—

9 “(1) IN GENERAL.—

10 “(A) AGGREGATE AMOUNT.—The Sec-
11 retary shall, in installments in accordance with
12 subparagraph (B), forgive under this section
13 not more than \$17,500 in the aggregate of the
14 student loan obligation of a borrower.

15 “(B) ANNUAL INSTALLMENTS.—The Sec-
16 retary shall forgive the student loan obligation
17 of a borrower in annual installments after each
18 of 5 years of service described in clause (i) or
19 (ii) of subsection (b)(1)(A)(i) in an amount not
20 to exceed the lesser of the remaining out-
21 standing obligation of the borrower or—

22 “(i) \$2,000 at the completion of the
23 first year of such service;

24 “(ii) \$2,500 at the completion of the
25 second year of such service;

1 “(iii) \$3,500 at the completion of the
2 third year of such service;

3 “(iv) \$4,500 at the completion of the
4 fourth year of such service; and

5 “(v) \$5,000 at the completion of the
6 fifth year of such service.

7 “(2) FORBEARANCE ON QUALIFIED LOAN
8 AMOUNT.—A holder of a loan on which a borrower
9 is seeking forgiveness under this section—

10 “(A) shall grant forbearance, at the re-
11 quest of the borrower, in annual increments for
12 each of the years of qualifying service if the
13 holder believes, at the time of the borrower’s
14 annual request, that the amount expected to be
15 forgiven under this section at the completion of
16 the period of qualifying service will satisfy the
17 anticipated remaining outstanding balance on
18 the loan; and

19 “(B) may offer other forbearance options
20 to the borrower.

21 “(d) REGULATIONS.—The Secretary is authorized to
22 issue such regulations as may be necessary to carry out
23 the provisions of this section.

1 “(e) CONSTRUCTION.—Nothing in this section shall
2 be construed to authorize any refunding of any repayment
3 of a loan.

4 “(f) LIST OF SCHOOLS.—If the list of schools in
5 which a teacher may perform service pursuant to sub-
6 section (b)(1)(A)(i) is not available before May 1 of any
7 year, the Secretary may use the list for the year preceding
8 the year for which the determination is made to make the
9 service determination.

10 “(g) ADDITIONAL ELIGIBILITY PROVISIONS.—

11 “(1) CONTINUED ELIGIBILITY FOR TEACH-
12 ERS.—Any teacher who performs service in a school
13 that—

14 “(A) meets the requirements of subsection
15 (b)(1)(A)(i)(I) in any year during such service;
16 and

17 “(B) in a subsequent year fails to meet the
18 requirements of that subsection,
19 may continue to teach in the school and shall be eli-
20 gible for loan forgiveness pursuant to subsection (b).

21 “(2) PREVENTION OF DOUBLE BENEFITS.—No
22 borrower may, for the same service, receive a benefit
23 under both this subsection and—

1 “(A) subtitle D of title I of the National
2 and Community Service Act of 1990 (42 U.S.C.
3 12571 et seq.); or

4 “(B) section 846 of the Public Health
5 Service Act (42 U.S.C. 297n).

6 “(h) DEFINITIONS.—In this section:

7 “(1) ELIGIBLE NURSE.—The term ‘eligible
8 nurse’ means a nurse who meets all of the following:

9 “(A) The nurse graduated from—

10 “(i) an accredited school of nursing
11 (as those terms are defined in section 801
12 of the Public Health Service Act (42
13 U.S.C. 296));

14 “(ii) a nursing center; or

15 “(iii) an academic health center that
16 provides nurse training.

17 “(B) The nurse holds a valid and unre-
18 stricted license to practice nursing in the State
19 in which the nurse practices in a clinical set-
20 ting.

21 “(C) The nurse holds 1 or more of the fol-
22 lowing:

23 “(i) A graduate degree in nursing or
24 equivalent degree.

1 “(ii) A nursing degree from a colle-
2 giate school of nursing (as defined in sec-
3 tion 801 of the Public Health Service Act
4 (42 U.S.C. 296)).

5 “(iii) A nursing degree from an asso-
6 ciate degree school of nursing (as defined
7 in section 801 of the Public Health Service
8 Act (42 U.S.C. 296)).

9 “(iv) A nursing degree from a diploma
10 school of nursing (as defined in section
11 801 of the Public Health Service Act (42
12 U.S.C. 296)).

13 “(2) YEAR.—The term ‘year’, where applied to
14 service as a teacher (or service as a member of the
15 nursing faculty at an accredited school of nursing
16 (as those terms are defined in section 801 of the
17 Public Health Service Act (42 U.S.C. 296))), means
18 an academic year as defined by the Secretary.”.

19 (b) REPEAL OF LOAN CANCELLATION PROVISION.—
20 Section 460 of the Higher Education Act of 1965 (20
21 U.S.C. 1087j) is repealed.

22 **SEC. 4. PHASE OUT OF CURRENT PROGRAM.**

23 An individual who began the required period of teach-
24 ing described in section 428J(b)(1) or 460(b)(1)(A) of the
25 Higher Education Act of 1965 (20 U.S.C. 1078–10 and

1 1087j) as such sections were in effect on the day before
2 the date of enactment of this Act, shall—

3 (1) be eligible to receive loan forgiveness or loan
4 cancellation in the amount described in, and in ac-
5 cordance with the requirements of, such sections as
6 in effect on the day before the date of enactment of
7 this Act; and

8 (2) not be eligible to receive loan forgiveness
9 under section 428J of the Higher Education Act of
10 1965 as in effect on the date of enactment of this
11 Act.

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