

110TH CONGRESS
1ST SESSION

H. R. 54

To expand the eligibility of individuals to qualify for loan forgiveness for teachers in order to provide additional incentives for teachers currently employed or seeking employment in economically depressed rural areas, Territories, and Indian Reservations.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2007

Mrs. CHRISTENSEN introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To expand the eligibility of individuals to qualify for loan forgiveness for teachers in order to provide additional incentives for teachers currently employed or seeking employment in economically depressed rural areas, Territories, and Indian Reservations.

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 Recruitment
5 Act of 2007”.

1 **SEC. 2. EXPANSION OF TEACHER LOAN FORGIVENESS PRO-**2 **GRAMS.**

3 (a) GUARANTEED STUDENT LOANS.—Part B of title

4 IV of the Higher Education Act of 1965 is amended by—

5 (1) redesignating section 428K (20 U.S.C.

6 1078–11) as section 428L; and

7 (2) by inserting after section 428J the following

8 new section:

9 **“SEC. 428K. EXPANDED LOAN FORGIVENESS FOR TEACH-**10 **ERS.**

11 “(a) PURPOSE.—It is the purpose of this section to

12 expand, subject to the availability of appropriations there-

13 for, the eligibility of individuals to qualify for loan forgive-

14 ness for teachers beyond that available under section

15 428J, in order to provide additional incentives for such

16 individuals to teach in economically disadvantaged or de-

17 pressed and underserved rural areas.

18 “(b) PROGRAM AUTHORIZED.—

19 (1) IN GENERAL.—From the sums appro-

20 priated pursuant to subsection (i), the Secretary

21 shall carry out a program, through the holder of the

22 loan, of assuming the obligation to repay a qualified

23 loan amount for a loan made under section 428 or

24 428H, in accordance with subsection (e), for any

25 new borrower on or after October 1, 1998, who—

1 “(A) is employed as a full-time teacher in
2 a public elementary or secondary school in an
3 economically disadvantaged or depressed and
4 underserved rural area;

5 “(B) has a State certification (which may
6 include certification obtained through alter-
7 native means) or a State license to teach, and
8 has not failed to comply with State or local ac-
9 countability standards; and

10 “(C) is not in default on a loan for which
11 the borrower seeks forgiveness.

12 “(2) SELECTION OF RECIPIENTS.—The Sec-
13 retary shall by regulation establish a formula that
14 ensures fairness and equality for applicants in the
15 selection of borrowers for loan repayment under this
16 section, based on the amount available pursuant to
17 subsection (i).

18 “(c) QUALIFIED LOANS AMOUNT.—

19 “(1) IN GENERAL.—The Secretary shall repay
20 not more than the percentage specified in paragraph
21 (2) of the loan obligation on a loan made under sec-
22 tion 428 or 428H that is outstanding after the com-
23 pletion of each complete school year of teaching de-
24 scribed in subsection (b)(1). No borrower may re-

1 ceive a reduction of loan obligations under both this
2 section and section 460.

3 “(2) PERCENTAGE ELIGIBLE.—The percent of
4 the loan obligation which the Secretary shall repay
5 under paragraph (1) of this subsection is 15 percent
6 for the first or second year of such service, 20 per-
7 cent for the third or fourth year of such service, and
8 30 percent for the fifth year of such service.

9 “(3) TREATMENT OF CONSOLIDATION LOANS.—
10 A loan amount for a loan made under section 428C
11 may be a qualified loan amount for the purposes of
12 this subsection only to the extent that such loan
13 amount was used to repay a Federal Direct Stafford
14 Loan, a Federal Direct Unsubsidized Stafford Loan,
15 or a loan made under section 428 or 428H for a
16 borrower who meets the requirements of subsection
17 (b), as determined in accordance with regulations
18 prescribed by the Secretary.

19 “(4) TREATMENT OF YEARS OF SERVICE FOR
20 CONTINUING EDUCATION LOANS.—For purposes of
21 paragraph (2), the year of service is determined on
22 the basis of the academic year that the borrower
23 began the service as a full-time teacher, except that
24 in the case of a borrower who incurs a loan obliga-
25 tion for continuing education expenses while teach-

1 ing, the year of service is determined on the basis
2 of the academic year following the academic year for
3 which the loan obligation was incurred.

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

7 “(e) CONSTRUCTION.—Nothing in this section shall
8 be construed to authorize any refunding of any repayment
9 of a loan.

10 “(f) LIST.—If the list of schools in which a teacher
11 may perform service pursuant to subsection (b)(1)(A) is
12 not available before May 1 of any year, the Secretary may
13 use the list for the year preceding the year for which the
14 determination is made to make such service determination.

15 “(g) ADDITIONAL ELIGIBILITY PROVISIONS.—

16 “(1) CONTINUED ELIGIBILITY.—Any teacher
17 who performs service in a school that—

18 “(A) meets the requirements of subsection
19 (b)(1)(A) in any year during such service; and

20 “(B) in a subsequent year fails to meet the
21 requirements of such subsection,

22 may continue to teach in such school and shall be
23 eligible for loan forgiveness pursuant to subsection
24 (b).

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

6 “(h) DEFINITION.—For purposes of this section:

7 “(1) AREA.—The term ‘economically disadvan-
8 taged or depressed and underserved rural area’
9 means any of the following areas in any State:

10 “(A) A rural area that has a chronically
11 high rate of unemployment.

12 “(B) A rural area in which at least 30 per-
13 cent of the households have household incomes
14 of less than \$15,000, as determined on the
15 basis of the most recent decennial census.

16 “(C) An Indian reservation.

17 “(D) Any other rural area that, as deter-
18 mined by regulations, has a significant shortage
19 of educational and employment opportunities.

20 “(2) INDIAN RESERVATION.—The term ‘Indian
21 reservation’ includes Indian reservations, public do-
22 main Indian allotments, former Indian reservations
23 in Oklahoma, and land held by incorporated Native
24 Alaskan groups, regional corporations, and village

1 corporations under the provisions of the Alaska Na-
2 tive Claims Settlement Act (43 U.S.C. 1601 et seq.).

3 “(3) YEAR.—The term ‘year’, where applied to
4 service as a teacher, means an academic year as de-
5 fined by the Secretary.

6 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated to carry out this section
8 such sums as may be necessary for fiscal year 2008 and
9 each of the 5 succeeding fiscal years.”.

10 (b) DIRECT STUDENT LOANS.—Part D of title IV of
11 the Higher Education Act of 1965 is amended by inserting
12 after section 460 the following new section:

13 "SEC. 460A. EXPANDED LOAN FORGIVENESS FOR TEACH-
14 ERS.

15 “(a) PURPOSE.—It is the purpose of this section to
16 expand, subject to the availability of appropriations there-
17 for, the eligibility of individuals to qualify for loan forgive-
18 ness for teachers beyond that available under section 460,
19 in order to provide additional incentives for such individ-
20 uals to teach in economically disadvantaged or depressed
21 and underserved rural areas.

22 "(b) PROGRAM AUTHORIZED.—

23 “(1) IN GENERAL.—From the sums appro-
24 priated pursuant to subsection (i), the Secretary
25 shall carry out canceling the obligation to repay a

1 qualified loan amount in accordance with subsection
2 (c) for Federal Direct Stafford Loans and Federal
3 Direct Unsubsidized Stafford Loans made under this
4 part for any new borrower on or after October 1,
5 1998, but who—

6 “(A) is employed as a full-time teacher in
7 a public elementary or secondary school in an
8 economically disadvantaged or depressed and
9 underserved rural area;

10 “(B) has a State certification (which may
11 include certification obtained through alter-
12 native means) or a State license to teach, and
13 has not failed to comply with State or local ac-
14 countability standards; and

15 “(C) is not in default on a loan for which
16 the borrower seeks forgiveness.

17 “(2) SELECTION OF RECIPIENTS.—The Sec-
18 retary shall by regulation establish a formula that
19 ensures fairness and equality for applicants in the
20 selection of borrowers for loan repayment under this
21 section, based on the amount available pursuant to
22 subsection (i).

23 “(c) QUALIFIED LOANS AMOUNT.—

24 “(1) IN GENERAL.—The Secretary shall cancel
25 not more than the percentage specified in paragraph

1 (2) of the loan obligation on a loan made under this
2 part that is outstanding after the completion of each
3 complete school year of teaching described in sub-
4 section (b)(1). No borrower may receive a reduction
5 of loan obligations under both this section and sec-
6 tion 428J.

7 “(2) PERCENTAGE ELIGIBLE.—The percent of
8 the loan obligation which the Secretary shall repay
9 under paragraph (1) of this subsection is 15 percent
10 for the first or second year of such service, 20 per-
11 cent for the third or fourth year of such service, and
12 30 percent for the fifth year of such service.

13 “(3) TREATMENT OF CONSOLIDATION LOANS.—
14 A loan amount for a Federal Direct Consolidation
15 Loan may be a qualified loan amount for the pur-
16 poses of this subsection only to the extent that such
17 loan amount was used to repay a Federal Direct
18 Stafford Loan, a Federal Direct Unsubsidized Staf-
19 ford Loan, or a loan made under section 428 or
20 428H for a borrower who meets the requirements of
21 subsection (b), as determined in accordance with
22 regulations prescribed by the Secretary.

23 “(4) TREATMENT OF YEARS OF SERVICE FOR
24 CONTINUING EDUCATION LOANS.—For purposes of
25 paragraph (2), the year of service is determined on

1 the basis of the academic year that the borrower
2 began the service as a full-time teacher, except that
3 in the case of a borrower who incurs a loan obliga-
4 tion for continuing education expenses while teach-
5 ing, the year of service is determined on the basis
6 of the academic year following the academic year for
7 which the loan obligation was incurred.

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

11 “(e) CONSTRUCTION.—Nothing in this section shall
12 be construed to authorize any refunding of any repayment
13 of a loan.

14 “(f) LIST.—If the list of schools in which a teacher
15 may perform service pursuant to subsection (b)(1)(A) is
16 not available before May 1 of any year, the Secretary may
17 use the list for the year preceding the year for which the
18 determination is made to make such service determination.

19 “(g) ADDITIONAL ELIGIBILITY PROVISIONS.—

20 “(1) CONTINUED ELIGIBILITY.—Any teacher
21 who performs service in a school that—

22 “(A) meets the requirements of subsection
23 (b)(1)(A) in any year during such service; and
24 “(B) in a subsequent year fails to meet the
25 requirements of such subsection,

1 may continue to teach in such school and shall be
2 eligible for loan forgiveness pursuant to subsection
3 (b).

4 “(2) PREVENTION OF DOUBLE BENEFITS.—No
5 borrower may, for the same service, receive a benefit
6 under both this section and subtitle D of title I of
7 the National and Community Service Act of 1990
8 (42 U.S.C. 12571 et seq.).

9 “(h) DEFINITION.—For purposes of this section:

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11 taged or depressed and underserved rural area’
12 means any of the following areas in any State:

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14 high rate of unemployment.

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16 cent of the households have household incomes
17 of less than \$15,000, as determined on the
18 basis of the most recent decennial census.

19 “(C) An Indian reservation.

20 “(D) Any other rural area that, as deter-
21 mined by regulations, has a significant shortage
22 of educational and employment opportunities.

23 “(2) INDIAN RESERVATION.—The term ‘Indian
24 reservation’ includes Indian reservations, public do-
25 main Indian allotments, former Indian reservations

1 in Oklahoma, and land held by incorporated Native
2 Alaskan groups, regional corporations, and village
3 corporations under the provisions of the Alaska Na-
4 tive Claims Settlement Act (43 U.S.C. 1601 et seq.).

5 “(3) YEAR.—The term ‘year’, where applied to
6 service as a teacher, means an academic year as de-
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10 such sums as may be necessary for fiscal year 2008 and
11 each of the 5 succeeding fiscal years.”.

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