

110TH CONGRESS
1ST SESSION

S. 1718

To amend the Servicemembers Civil Relief Act to provide for reimbursement to servicemembers of tuition for programs of education interrupted by military service, for deferment of students loans and reduced interest rates for servicemembers during periods of military service, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 27, 2007

Mr. BROWN (for himself and Mr. SALAZAR) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend the Servicemembers Civil Relief Act to provide for reimbursement to servicemembers of tuition for programs of education interrupted by military service, for deferment of students loans and reduced interest rates for servicemembers during periods of military service, 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 “Veterans Education
5 Tuition Support Act” or the “VETS Act”.

1 **SEC. 2. FINDINGS AND PURPOSES.**2 (a) FINDINGS.—Congress makes the following find-
3 ings:4 (1) There is no more important cause than the
5 defense of the United States.6 (2) Since 2003, nearly 1,300,000 members of
7 the Armed Forces have served in Iraq or Afghani-
8 stan and over 420,000 members of the Armed
9 Forces in the National Guard and Reserve have been
10 called to active duty.11 (3) The men and women of the Armed Forces
12 put their lives on hold, leave their families, jobs, and
13 postsecondary education in order to serve the United
14 States, and do so with distinction.15 (4) In 2005, 500,000 veterans claimed edu-
16 cation benefits from the Department of Veterans Af-
17 fairs and approximately 47,000 of those veterans are
18 members of the National Guard or Reserve and re-
19 cently returned from serving in the Armed Forces in
20 Iraq or Afghanistan.21 (5) Many members of the Armed Forces depend
22 on various forms of financial aid in addition to their
23 Montgomery GI Bill benefits to help fund their col-
24 lege education.25 (6) The 6 percent interest rate cap on all debts
26 of members of the Armed Forces called to active

1 duty guaranteed by the Servicemembers Civil Relief
2 Act (50 U.S.C. App. 501 et seq.) has been inter-
3 preted narrowly by the Secretary of Education not
4 to apply to Federal student loans.

5 (7) Members of the Armed Forces who return
6 from deployment overseas in the Armed Forces and
7 who are unable to continue immediately a program
8 of education that they were forced to discontinue be-
9 cause of such deployment are being forced to begin
10 making payments on their private students loans
11 only 1 month after such return.

12 (8) The transition from service in the Armed
13 Forces in a combat theater to a classroom is a dif-
14 ficult challenge and should not be rushed merely to
15 avoid paying back student loans.

16 (9) As of the date of the enactment of this Act,
17 colleges are not required to make reasonable accom-
18 modations for students who are called to active duty
19 in the Armed Forces, such as tuition reimbursement
20 and relaxation of requirements for reenrollment.

21 (10) Members of the Armed Forces who return
22 from deployment overseas and attempt to reenroll in
23 a program of education are overwhelmed with bu-
24 reaucracy.

1 (11) Studies have shown that symptoms of
2 post-traumatic stress disorder (PTSD) and other
3 non-apparent injuries may take up to a year to
4 manifest.

5 (12) Members of the Armed Forces deserve to
6 have at least a full academic year to reintegrate into
7 society before they are required to begin paying back
8 student loans.

12 (b) PURPOSES.—The purposes of this Act are—

22 (3) to institute a 6 percent interest rate cap on
23 student loans of a member of the Armed Forces
24 while such member is deployed on active duty; and

6 SEC. 3. RELIEF FOR STUDENTS WHO DISCONTINUE EDU-
7 CATION BECAUSE OF MILITARY SERVICE.

8 (a) IN GENERAL.—Title VII of the Servicemembers
9 Civil Relief Act (50 U.S.C. App. 591 et seq.) is amended
10 by adding at the end the following new section:

14 "(a) TUITION AND REENROLLMENT.—In the case of
15 a servicemember who because of military service discon-
16 tinues a program of education at an institution of higher
17 education that administers a Federal financial aid pro-
18 gram, such institution of higher education shall—

19 “(1) refund to such servicemember the tuition
20 and fees paid by such servicemember from personal
21 funds, or from a loan, for the portion of the pro-
22 gram of education for which such servicemember did
23 not receive academic credit because of such military
24 service; and

1 “(2) provide such servicemember an opportunity to reenroll in such program of education with
2 the same educational and academic status such
3 servicemember had when such servicemember discontinued such program of education because of such
4 military service.

7 “(b) DEFERMENT OF REPAYMENT OF LOANS.—In
8 the case of a servicemember who because of military service
9 discontinues a program of education at an institution
10 of higher education, the following rules shall apply to a
11 provider of student loans who has provided a student loan
12 to such servicemember that is not in payment status on
13 the date the period of military service begins:

14 “(1) If such servicemember reenrolls in the program of education (or a comparable program) within
15 13 months following the period of military service,
16 the provider shall disregard the entire period the program of education was discontinued in determining the date on which repayment of the student loan is to begin.

21 “(2) If such servicemember does not so reenroll, the provider shall not require repayment of the student loan to begin before the later of the last day of such 13-month period or the date the repayment was to begin without regard to this subsection.

1 “(c) INTEREST RATE LIMITATION ON STUDENT
2 LOANS.—

3 “(1) IN GENERAL.—Except as provided in para-
4 graph (2) of this subsection, a student loan shall be
5 considered an obligation or liability for the purposes
6 of section 207.

7 “(2) EXCEPTION.—Subsection (c) of section
8 207 shall not apply to a student loan.

9 “(d) DEFINITIONS.—In this section:

10 “(1) The term ‘Federal financial aid program’
11 means a program providing loans made, insured, or
12 guaranteed under part B, D, or E of title IV of the
13 Higher Education Act of 1965 (20 U.S.C. 1077 et
14 seq., 1087a et seq., 1087aa et seq.).

15 “(2) The term ‘institution of higher education’
16 means a 2-year or 4-year institution of higher edu-
17 cation as defined in section 102 of the Higher Edu-
18 cation Act of 1965 (20 U.S.C. 1002).

19 “(3) The term ‘student loan’ means any loan,
20 whether Federal, State, or private, to assist an indi-
21 vidual to attend an institution of higher education,
22 including a loan made, insured, or guaranteed under
23 part B, D, or E of title IV of the Higher Education
24 Act of 1965 (20 U.S.C. 1077 et seq., 1087a et seq.,
25 1087aa et seq.).”.

1 (b) CLERICAL AMENDMENT.—The table of contents
2 in section (1)(b) of such Act is amended by adding at the
3 end the following new item:

“Sec. 707. Tuition, reenrollment, and student loan relief for postsecondary stu-
dents called to military service.”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall take effect for periods of military service
6 beginning after the date of the enactment of this section.

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