

110TH CONGRESS
2D SESSION

S. 2895

To amend the Higher Education Act of 1965 to maintain eligibility, for Federal PLUS loans, of borrowers who are 90 or more days delinquent on mortgage loan payments, or for whom foreclosure proceedings have been initiated, with respect to their primary residence.

IN THE SENATE OF THE UNITED STATES

APRIL 21, 2008

Mr. DODD (for himself, Mr. KENNEDY, Mr. BROWN, Mrs. MURRAY, Mr. SANDERS, and Mrs. CLINTON) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Higher Education Act of 1965 to maintain eligibility, for Federal PLUS loans, of borrowers who are 90 or more days delinquent on mortgage loan payments, or for whom foreclosure proceedings have been initiated, with respect to their primary residence.

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 “PLUS Loan Borrower
5 Protection Act of 2008”.

1 **SEC. 2. SPECIAL RULES FOR FEDERAL PLUS LOANS.**

2 Section 428B(a)(3) of the Higher Education Act of
3 1965 (20 U.S.C. 1078–2(a)(3)) is amended—

4 (1) by striking “Whenever” and inserting the
5 following:

6 “(A) PARENT BORROWERS.—Whenever”;

7 and

8 (2) by adding at the end the following:

9 “(B) EXTENUATING CIRCUMSTANCES.—

10 “(i) IN GENERAL.—For purposes of
11 determining if a borrower has an adverse
12 credit history under paragraph (1)(A) on
13 the basis of a delinquency or foreclosure
14 related to a mortgage loan, an extenuating
15 circumstance exists if, during the period
16 beginning January 1, 2007 and ending De-
17 cember 31, 2012, the borrower is 90 or
18 more days delinquent on mortgage loan
19 payments, or foreclosure proceedings have
20 been initiated, with respect to the primary
21 residence of the borrower.

22 “(ii) DEFINITION.—The term ‘mort-
23 gage loan’ means an extension of credit
24 that is secured by the primary residence of
25 the borrower.”.