

111TH CONGRESS
1ST SESSION

S. 1603

To amend section 484B of the Higher Education Act of 1965 to provide for tuition reimbursement and loan forgiveness to students who withdraw from an institution of higher education to serve in the uniformed services, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 6, 2009

Mr. BROWN introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend section 484B of the Higher Education Act of 1965 to provide for tuition reimbursement and loan forgiveness to students who withdraw from an institution of higher education to serve in the uniformed services, 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 of 2009” or the “VETS Act of
6 2009”.

1 **SEC. 2. TUITION RELIEF FOR POSTSECONDARY STUDENTS**
 2 **CALLED TO MILITARY SERVICE.**

3 (a) IN GENERAL.—Section 484B(b)(2) of the Higher
 4 Education Act of 1965 (20 U.S.C. 1091b(b)(2)) is amend-
 5 ed by adding at the end the following:

6 “(F) TUITION RELIEF FOR STUDENTS
 7 CALLED TO MILITARY SERVICE.—

8 “(i) TUITION RELIEF.—

9 “(I) IN GENERAL.—Subject to
 10 subclause (II), whenever a student’s
 11 withdrawal from an institution of
 12 higher education is necessitated by
 13 reason of service in the uniformed
 14 services, the institution shall refund to
 15 such student the tuition and fees paid
 16 by, or on behalf of, such student for
 17 the payment period or period of en-
 18 rollment for which such student did
 19 not receive academic credit as a result
 20 of such withdrawal.

21 “(II) EXCEPTION.—Subclause (I)
 22 shall not apply to the tuition or fees
 23 paid on behalf of the student—

24 “(aa) from scholarships
 25 awarded to the student by the in-
 26 stitution of higher education; or

1 “(bb) through funds award-
2 ed under this title.

3 “(ii) WAIVER OF REPAYMENT BY STU-
4 DENTS CALLED TO MILITARY SERVICE.—In
5 addition to the waivers authorized by sub-
6 paragraphs (D) and (E), the Secretary
7 shall waive the amounts that students are
8 required to return under this section if the
9 withdrawals on which the returns are
10 based are withdrawals necessitated by rea-
11 son of service in the uniformed services.

12 “(iii) LOAN FORGIVENESS AUTHOR-
13 IZED.—Whenever a student’s withdrawal
14 from an institution of higher education is
15 necessitated by reason of service in the
16 uniformed services, the Secretary shall,
17 with respect to the payment period or pe-
18 riod of enrollment for which such student
19 did not receive academic credit as a result
20 of such withdrawal, carry out a program—

21 “(I) through the holder of the
22 loan, to assume the obligation to
23 repay—

24 “(aa) the outstanding prin-
25 ciple and accrued interest on any

1 loan assistance awarded to the
2 student under part B (including
3 to a parent on behalf of the stu-
4 dent under section 428B) for
5 such payment period or period of
6 enrollment; minus

7 “(bb) any amount of such
8 loan assistance returned by the
9 institution in accordance with
10 paragraph (1) of this subsection
11 for such payment period or pe-
12 riod of enrollment; and

13 “(II) to cancel—

14 “(aa) the outstanding prin-
15 ciple and accrued interest on the
16 loan assistance awarded to the
17 student under part D or E (in-
18 cluding a Federal Direct PLUS
19 loan awarded to a parent on be-
20 half of the student) for such pay-
21 ment period or period of enroll-
22 ment; minus

23 “(bb) any amount of such
24 loan assistance returned by the
25 institution in accordance with

1 paragraph (1) of this subsection
2 for such payment period or pe-
3 riod of enrollment.

4 “(iv) REIMBURSEMENT FOR CAN-
5 CELLATION OF PERKINS LOANS.—The Sec-
6 retary shall pay to each institution for
7 each fiscal year an amount equal to the ag-
8 gregate of the amounts of Federal Perkins
9 loans in such institution’s student loan
10 fund that are cancelled pursuant to clause
11 (iii)(II) for such fiscal year, minus an
12 amount equal to the aggregate of the
13 amounts of any such loans so canceled
14 which were made from Federal capital con-
15 tributions to its student loan fund provided
16 by the Secretary under section 468. None
17 of the funds appropriated pursuant to sec-
18 tion 461(b) shall be available for payments
19 pursuant to this paragraph. To the extent
20 feasible, the Secretary shall pay the
21 amounts for which any institution qualifies
22 under this paragraph not later than 3
23 months after the institution files an insti-
24 tutional application for campus-based
25 funds.

1 “(v) LOAN ELIGIBILITY AND LIMITS
 2 FOR STUDENTS.—Any amounts that are
 3 returned by an institution in accordance
 4 with paragraph (1), or forgiven or waived
 5 by the Secretary under this subparagraph,
 6 with respect to a payment period or period
 7 of enrollment for which a student did not
 8 receive academic credit as a result of with-
 9 drawal necessitated by reason of service in
 10 the uniformed services, shall not be in-
 11 cluded in the calculation of the student’s
 12 annual or aggregate loan limits for assist-
 13 ance under this title, or otherwise affect
 14 the student’s eligibility for grants or loans
 15 under this title.

16 “(vi) DEFINITION.—In this subpara-
 17 graph, the term ‘service in the uniformed
 18 services’ has the meaning given such term
 19 in section 484C(a).”.

20 (b) EFFECTIVE DATE.—

21 (1) IN GENERAL.—The amendments made by
 22 this Act shall take effect for periods of service in the
 23 uniformed services beginning after the date of enact-
 24 ment of this Act.

1 (2) DEFINITION.—In this subsection, the term
2 “period of service in the uniformed services” means
3 the period beginning 30 days prior to the date a stu-
4 dent is required to report to service in the uniformed
5 services (as defined in section 484C(a) of the Higher
6 Education Act of 1965 (20 U.S.C. 1091c(a))) and
7 ending when such student returns from such service.

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