

113TH CONGRESS
2D SESSION

S. 2107

To increase students' and borrowers' access to student loan information within the National Student Loan Data System, and to encourage improved outreach to and communication with borrowers.

IN THE SENATE OF THE UNITED STATES

MARCH 11, 2014

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

A BILL

To increase students' and borrowers' access to student loan information within the National Student Loan Data System, and to encourage improved outreach to and communication with borrowers.

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 “Simplifying Access to
5 Student Loan Information Act of 2014”.

1 **SEC. 2. AMENDMENT TO THE TRUTH IN LENDING ACT.**

2 (a) IN GENERAL.—Section 128(e) of the Truth in
3 Lending Act (15 U.S.C. 1638(e)) is amended by adding
4 at the end the following:

5 “(12) NATIONAL STUDENT LOAN DATA SYS-
6 TEM.—

7 “(A) IN GENERAL.—Each private edu-
8 cational lender shall—

9 “(i) submit to the Secretary of Edu-
10 cation for inclusion in the National Stu-
11 dent Loan Data System established under
12 section 485B of the Higher Education Act
13 of 1965 (20 U.S.C. 1092b) information re-
14 garding each private education loan made
15 by such lender that will allow for the elec-
16 tronic exchange of data between borrowers
17 of private education loans and the System;
18 and

19 “(ii) in carrying out clause (i), ensure
20 the privacy of private education loan bor-
21 rowers.

22 “(B) INFORMATION TO BE SUBMITTED.—
23 The information regarding private education
24 loans required under subparagraph (A) to be
25 included in the National Student Loan Data

1 System shall include the following if determined
2 appropriate by the Secretary of Education:

3 “(i) The total amount and type of
4 each such loan made, including out-
5 standing interest and outstanding principal
6 on such loan.

7 “(ii) The interest rate of each such
8 loan made.

9 “(iii) Information regarding the bor-
10 rower that the Secretary of Education de-
11 termines is necessary to ensure the elec-
12 tronic exchange of data between borrowers
13 of private education loans and the System.

14 “(iv) Information, including contact
15 information, regarding the lender that
16 owns the loan.

17 “(v) Information, including contact in-
18 formation, regarding the servicer that is
19 handling the loan.

20 “(vi) Information concerning the date
21 of any default on the loan and the collec-
22 tion of the loan, including any information
23 concerning the repayment status of any de-
24 faulted loan.

1 “(vii) Information regarding any
2 deferment or forbearance granted on the
3 loan.

4 “(viii) The date of the completion of
5 repayment by the borrower of the loan.

6 “(ix) Any other information deter-
7 mined by the Secretary of Education to be
8 necessary for the operation of the National
9 Student Loan Data System.

10 “(C) UPDATE.—Each private educational
11 lender shall update the information regarding
12 private education loans required under subpara-
13 graph (A) to be included in the National Stu-
14 dent Loan Data System on the same schedule
15 as information is updated under the System
16 under section 485B of the Higher Education
17 Act of 1965 (20 U.S.C. 1092b).”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall apply to private education loans that
20 were made for the 2011–2012 academic year or later.

21 **SEC. 3. AMENDMENT TO THE HIGHER EDUCATION ACT OF**
22 **1965.**

23 Section 485B of the Higher Education Act of 1965
24 (20 U.S.C. 1092b) is amended by adding at the end the
25 following:

1 “(i) PRIVATE EDUCATION LOANS.—

2 “(1) IN GENERAL.—The National Student
3 Loan Data System established pursuant to sub-
4 section (a) shall contain the information required to
5 be included under section 128(e)(12) of the Truth in
6 Lending Act (15 U.S.C. 1638(e)(12)).

7 “(2) COSIGNER.—Notwithstanding any other
8 provision of law, the Secretary shall ensure that any
9 cosigner of a private education loan for which infor-
10 mation is included in the National Student Loan
11 Data System—

12 “(A) is able to access the information in
13 such System with respect to such private edu-
14 cation loan; and

15 “(B) does not have access to any informa-
16 tion in such System with respect to any loan for
17 which the cosigner has not cosigned.

18 “(3) PRIVACY.—The Secretary shall ensure that
19 a private educational lender—

20 “(A) has access to the National Student
21 Loan Data System only to submit information
22 for such System regarding the private education
23 loans of such lender; and

24 “(B) may not see information in the Sys-
25 tem regarding the loans of any other lender.

1 “(j) REPAYMENT OPTIONS.—The Secretary shall es-
 2 tablish a functionality within the National Student Loan
 3 Data System established pursuant to subsection (a) that
 4 enables a student borrower of a loan made, insured, or
 5 guaranteed under this title to input information necessary
 6 for the estimation of repayment amounts under the var-
 7 ious repayment plans available to the borrower of such
 8 loan to compare such repayment plans.”.

9 **SEC. 4. NON-TRADITIONAL OUTREACH PROGRAM.**

10 (a) PILOT PROGRAM AUTHORIZED.—

11 (1) IN GENERAL.—The Secretary of Education
 12 (referred to in this section as the “Secretary”) shall
 13 establish a 5-year pilot program to award grants, on
 14 a competitive basis, to eligible entities to establish or
 15 improve non-traditional outreach programs and ini-
 16 tiatives with the goal of—

17 (A) reducing deferments, forbearances, and
 18 defaults on student loan repayments; and

19 (B) establishing best practices for reducing
 20 deferments, forbearances, and defaults on stu-
 21 dent loan repayments.

22 (2) ELIGIBLE ENTITY.—Except as provided in
 23 subsection (e), in this section, the term “eligible en-
 24 tity” means—

1 (A) an institution of higher education enti-
2 ty;

3 (B) an entity that services loans made, in-
4 sured, or guaranteed under title IV of the
5 Higher Education Act of 1965 (20 U.S.C. 1070
6 et seq.); or

7 (C) a nonprofit organization that has—

8 (i) substantial experience in admin-
9 istering student loan counseling; or

10 (ii) demonstrated success in reducing
11 deferments, forbearances, and defaults on
12 student loan repayments.

13 (3) RESERVATION FOR NONPROFIT
14 SERVICERS.—From amounts made available to carry
15 out this section, the Secretary shall reserve not less
16 than 10 percent to award grants under paragraph
17 (1) to eligible entities that are nonprofit student
18 loan servicers.

19 (b) APPLICATION.—An eligible entity that desires to
20 receive a grant under this section shall submit an applica-
21 tion to the Secretary at such time, in such manner, and
22 containing such information as the Secretary may require.

23 (c) ACTIVITIES.—

24 (1) IN GENERAL.—An eligible entity that re-
25 ceives a grant under this section shall use the grant

1 funds to establish non-traditional outreach programs
2 and initiatives that may include the following:

3 (A) New or improved pre-college loan en-
4 trance counseling and financial literacy ses-
5 sions.

6 (B) New or improved exit counseling for
7 student loan borrowers.

8 (C) Train students in how to use the Na-
9 tional Student Loan Data System established
10 under section 485B of the Higher Education
11 Act of 1965 (20 U.S.C. 1092b).

12 (D) At least 1 check-in while a student
13 loan borrower is enrolled in the academic pro-
14 gram for which the student has taken out a
15 loan (which shall occur not earlier than half
16 way through completion of such academic pro-
17 gram), which check-in shall provide the bor-
18 rower with an update on the borrower's student
19 loan status and information on how the out-
20 reach program can serve as an information re-
21 source for the borrower.

22 (E) Annual follow-ups with student loan
23 borrowers after the borrowers are no longer en-
24 rolled in the academic program for which the
25 student has taken out a loan by attempting to

1 contact the borrowers by phone, email, mail, or
2 in person and providing continued guidance and
3 counseling and serving as an information re-
4 source.

5 (F) Follow-ups once a student loan bor-
6 rower reaches a certain level of delinquency on
7 repayment of such loan, as determined by the
8 Secretary.

9 (2) PRIVATE LOANS.—An eligible entity that re-
10 ceives a grant under this section shall work to re-
11 duce defaults on private education loan debt.

12 (d) SUPPLEMENT NOT SUPPLANT.—An eligible enti-
13 ty shall use grant funds received under this section only
14 to supplement the funds that would, in the absence of such
15 grant funds, be made available from non-Federal sources
16 for the activities described in subsection (c), and not to
17 supplant such funds.

18 (e) CONTINUATION OF GRANT AWARDS.—

19 (1) IN GENERAL.—If the Secretary determines
20 that the pilot program established under this section
21 has been successful in reducing deferments,
22 forbearances, and defaults on student loan repay-
23 ments, the Secretary may continue to award com-
24 petitive grants beyond the initial pilot program pe-
25 riod in accordance with this subsection.

1 (2) AUTHORIZATION.—The Secretary shall
2 award grants under this subsection on a competitive
3 basis to eligible entities described in paragraph (3)
4 who achieve specific performance outcomes and cri-
5 teria in reducing deferments, forbearances, and de-
6 faults on student loan repayments. Projects funded
7 by grants under this subsection shall be referred to
8 as either Pay-for-Performance or Pay-for-Success
9 projects, as set forth in paragraph (3).

10 (3) ELIGIBLE ENTITY.—To be eligible to receive
11 a grant under this subsection, an entity shall be an
12 entity described in subparagraph (A), (B), or (C) of
13 subsection (a)(2) that—

14 (A) in the case of an entity seeking to
15 carry out a Pay-for-Performance project, agrees
16 to be reimbursed under the grant primarily on
17 the basis of achievement of specified perform-
18 ance outcomes and criteria established by the
19 Secretary under paragraph (4); or

20 (B) in the case of an entity seeking to
21 carry out a Pay-for-Success project—

22 (i) enters into a partnership with an
23 investor, such as a philanthropic organiza-
24 tion that provides funding for a specific
25 project to address reducing deferments,

forbearances, and defaults on student loan repayments; and

(ii) agrees to be reimbursed under the grant only if the project achieves specified performance outcomes and criteria established by the Secretary under paragraph (4).

(4) PERFORMANCE OUTCOMES AND CRITERIA.—Not later than 6 months after the completion of the pilot program, the Secretary shall establish and publish on the Web site of the Department of Education specific performance measures, which include performance outcomes and criteria, for the initial qualification and reimbursement of eligible entities to receive a grant under this subsection.

(5) PERIOD OF AVAILABILITY FOR PAY-FOR-SUCCESS PROJECTS.—Funds appropriated to carry out Pay-for-Success projects under this subsection shall, upon obligation, remain available for disbursement until expended, notwithstanding section 1552 of title 31, United States Code, and, if later deobligated, in whole or in part, be available until expended under additional Pay-for-Success grants under this subsection.

(f) REPORTS.—

1 (1) ELIGIBLE ENTITIES.—An eligible entity
2 that receives a grant under this section shall submit
3 an annual report to the Secretary that describes the
4 use of grant funds and details the results of the ac-
5 tivities conducted with such grant funds.

6 (2) SECRETARY.—

7 (A) IN GENERAL.—The Secretary shall
8 submit a report to Congress that details the re-
9 sults of the program funded under this section
10 and describes best practices in non-traditional
11 outreach programs that reduce deferments,
12 forbearances, and defaults on student loan re-
13 payments.

14 (B) REPORT AVAILABLE PUBLICLY.—The
15 Secretary shall make the report described in
16 subparagraph (A) publicly available on the Web
17 site of the Department of Education.

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