

114TH CONGRESS
1ST SESSION

H. R. 3925

To direct the Secretary of Education to carry out a program of canceling certain Federal student loans of principals in high need schools.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 4, 2015

Mrs. DAVIS of California introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To direct the Secretary of Education to carry out a program of canceling certain Federal student loans of principals in high need schools.

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 “Recruiting and Retain-
5 ing Effective School Leaders Act”.

6 **SEC. 2. LOAN FORGIVENESS FOR PRINCIPALS IN HIGH**
7 **NEEDS SCHOOLS.**

8 Part D of title IV of the Higher Education Act of
9 1965 (20 U.S.C. 1087a et seq.) is amended by adding at
10 the end the following:

1 **“SEC. 460A. LOAN FORGIVENESS FOR PRINCIPALS IN HIGH**
2 **NEEDS SCHOOLS.**

3 “(a) LOAN FORGIVENESS AUTHORIZED.—The Sec-
4 retary shall carry out a program of canceling the obliga-
5 tion to repay a qualified loan amount in accordance with
6 subsection (b) for loans made under this part, which were
7 first disbursed on or after July 1, 2010, to any borrower
8 who—

9 “(1) has graduated from a high-quality pro-
10 gram, as determined by the appropriate State agen-
11 cy for higher education, in consultation with the Sec-
12 retary;

13 “(2) has been employed as a full-time principal,
14 as defined by, for not less than 1 complete school
15 year in a school or location that qualifies under sec-
16 tion 465(a)(2)(A) for loan cancellation for Perkins
17 loan recipients who teach in such schools or loca-
18 tions; and

19 “(3) is not in default on a loan for which the
20 borrower seeks forgiveness.

21 “(b) QUALIFIED LOAN AMOUNTS.—

22 “(1) IN GENERAL.—

23 “(A) FIRST 4 YEARS.—Subject to para-
24 graph (2), after the completion of service as a
25 principal as described in subsection (a)(2) for a
26 complete school year for any school year after

1 the first complete school year of such service
2 through the fourth complete school year of such
3 service, the Secretary shall cancel—

4 “(i) 15 percent of the loan obligation
5 on a loan made under this part, which was
6 first disbursed on or after July 1, 2010;
7 and

8 “(ii) the total amount of interest that
9 accrued during such school year.

10 “(B) SUCCEEDING YEARS.—Subject to
11 paragraph (2), after the completion of service
12 as a principal as described in subsection (a)(2)
13 for a complete school year for any school year
14 after the fourth complete school year of such
15 service through the seventh complete school
16 year of such service, the Secretary shall can-
17 cel—

18 “(i) 20 percent of the loan obligation
19 on a loan made under this part, which was
20 first disbursed on or after July 1, 2010;
21 and

22 “(ii) the total amount of interest that
23 accrued during such school year.

24 “(2) LIMITATIONS.—To be eligible for loan can-
25 cellation under subparagraph (A) or (B) of para-

graph (1) for any school year after the first complete school year of service, a principal—

“(A) shall be serving as a principal in the school or location in which the principal served for such first year, except that a principal may serve as a principal in a different school or location described in subsection (a)(2) for a school year after such first year if the local educational agency involved places the principal in such different school or location; and

“(B) may stop serving as a principal for not more than 1 complete school year after such first year.

“(3) TREATMENT OF CONSOLIDATION LOANS.—

A loan amount for a Federal Direct Consolidation Loan, which was first disbursed on or after July 1, 2010, may be a qualified loan amount for the purposes of this subsection only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, a Federal Direct PLUS Loan for enrollment in a graduate or professional program or a loan made under section 428, 428H, or 428B for enrollment in a graduate or professional program, for a borrower who meets the requirements of sub-

1 section (a), as determined in accordance with regula-
2 tions prescribed by the Secretary.

3 “(c) LIST.—If the list of schools in which a high need
4 principal may perform service pursuant to subsection
5 (a)(2) is not available before May 1 of any year, the Sec-
6 retary may use the list for the year preceding the year
7 for which the determination is made to make such service
8 determination.

9 “(d) CONTINUING ELIGIBILITY.—Any principal who
10 performs service as in a school that—

11 “(1) meets the requirements of subsection
12 (a)(2) in any year during such service; and

13 “(2) in a subsequent year fails to meet the re-
14 quirements of such subsection, may continue to
15 serve as a principal in such school and shall be eligi-
16 ble for loan cancellation pursuant to subsection (a).

17 “(e) FORGIVENESS NOT CONSIDERED INCOME.—The
18 amount of a loan, and interest on a loan, which is canceled
19 under this section shall not be considered income for pur-
20 poses of the Internal Revenue Code of 1986.

21 “(f) CONSTRUCTION.—Nothing in this subsection
22 shall be construed to authorize refunding of any refunding
23 of any canceled loan.

24 “(g) NO DOUBLE BENEFIT.—No borrower may, for
25 the same service, receive a benefit under both this section

1 and subtitle D of title I of the National and Community
2 Service Act of 1990 (42 U.S.C. 12601 et seq.).

3 “(h) REGULATIONS.—The Secretary is authorized to
4 issue such regulations as may be necessary to carry out
5 this section.

6 “(i) DEFINITIONS.—For the purpose of this section:

7 “(1) PRINCIPAL.—The term ‘principal’ has the
8 meaning given such term in section 2102 of the Ele-
9 mentary and Secondary Education Act of 1965 (20
10 U.S.C. 6602).

11 “(2) YEAR.—The term ‘year’ where applied to
12 service as a teacher means an academic year as de-
13 fined by the Secretary.”.

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