

114TH CONGRESS
2D SESSION

H. R. 6150

To amend the Truth in Lending Act to prohibit private educational lenders from requiring accelerated repayment of private education loans upon the death or disability of a cosigner of the loan.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2016

Mr. KILDEE introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To amend the Truth in Lending Act to prohibit private educational lenders from requiring accelerated repayment of private education loans upon the death or disability of a cosigner of the loan.

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 “Student Debt Repay-
5 ment Fairness Act”.

1 **SEC. 2. PROHIBITION ON REQUIRING FULL REPAYMENT OF**
 2 **PRIVATE EDUCATION LOAN UPON DEATH OR**
 3 **DISABILITY OF COSIGNER.**

4 Section 140 of the Truth in Lending Act (15 U.S.C.
 5 1650) is amended by adding at the end the following new
 6 subsection:

7 “(g) PROHIBITION ON ACCELERATING REPAYMENT
 8 UPON DEATH OR DISABILITY OF A COSIGNER ON A PRI-
 9 VATE EDUCATION LOAN.—

10 “(1) IN GENERAL.—If a cosigner who is jointly
 11 liable on a private education loan is unable to fulfill
 12 any obligations with respect to the loan by reason of
 13 death or disability of the cosignor, the private edu-
 14 cational lender may not accelerate the repayment
 15 terms of any outstanding obligation if the borrower
 16 is in good standing (as determined by the Bureau)
 17 with respect to the loan.

18 “(2) DISABILITY DEFINED.—In this subsection,
 19 the term ‘disability’ means a permanent and total
 20 disability, as determined in accordance with the reg-
 21 ulations of the Secretary of Education under section
 22 437(a) of the Higher Education Act of 1965 (20
 23 U.S.C. 1087(a)), or a determination by the Sec-
 24 retary of Veterans Affairs that the individual is un-
 25 employable due to a service-connected condition.”.