

114TH CONGRESS
1ST SESSION

S. 1309

To provide for the removal of default information from a borrower's credit report with respect to certain rehabilitated education loans.

IN THE SENATE OF THE UNITED STATES

MAY 12, 2015

Mr. PETERS (for himself and Mrs. CAPITO) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide for the removal of default information from a borrower's credit report with respect to certain rehabilitated education loans.

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 “Federal Adjustment
5 in Reporting Student Credit Act of 2015” or the “FAIR
6 Student Credit Act of 2015”.

1 **SEC. 2. REHABILITATION OF QUALIFIED EDUCATION**
2 **LOANS.**

3 Section 623(a)(1) of the Fair Credit Reporting Act
4 (15 U.S.C. 1681s-2(a)(1)) is amended by adding at the
5 end the following:

6 “(E) REHABILITATION OF QUALIFIED
7 EDUCATION LOANS.—

8 “(i) IN GENERAL.—Notwithstanding
9 any other provision of this section, a per-
10 son may request to remove a previously re-
11 ported default regarding a qualified edu-
12 cation loan from a consumer report, and
13 such request shall not be considered inac-
14 curate, if—

15 “(I) the lender chooses to offer a
16 loan rehabilitation program that re-
17 quires a number of consecutive on-
18 time monthly payments, in accordance
19 with the terms and conditions of the
20 loan rehabilitation program, or any
21 valid and legally binding modification
22 thereto, equal to the number of pay-
23 ments specified under section
24 428F(a)(1)(A) of the Higher Edu-
25 cation Act of 1965 (20 U.S.C. 1078-
26 6(a)(1)(A)); and

1 “(II) the consumer of such loan
 2 successfully and voluntarily meets the
 3 requirements of that loan rehabilita-
 4 tion program.

5 “(ii) LIMITATION.—A consumer may
 6 obtain the benefits available under this
 7 subsection with respect to rehabilitating a
 8 loan only one time per loan.

9 “(iii) QUALIFIED EDUCATION LOAN
 10 DEFINED.—For purposes of this subpara-
 11 graph, the term ‘qualified education loan’
 12 has the meaning given such term under
 13 section 221(d) of the Internal Revenue
 14 Code of 1986.”.

15 **SEC. 3. GAO STUDY.**

16 (a) STUDY.—The Comptroller General of the United
 17 States shall carry out a study on—

18 (1) the implementation of section 623(a)(1)(E)
 19 of the Fair Credit Reporting Act, as added by sec-
 20 tion 2; and

21 (2) any hurdles borrowers experience with the
 22 private loan rehabilitation program.

23 (b) REPORT.—Not later than the end of the 18-
 24 month period beginning on the date of the enactment of
 25 this Act, the Comptroller General shall issue a report to

- 1 the Congress containing all findings and determinations
- 2 made in carrying out the study required under subsection
- 3 (a).

