115TH CONGRESS
1ST SESSION

S. 1675

To promote quality student loan servicing by improving the borrower experience for borrowers of Federal Direct Loans.

IN THE SENATE OF THE UNITED STATES

JULY 31, 2017

Mr. BLUNT (for himself, Ms. WARREN, Mr. LANKFORD, and Mrs. SHAHEEN) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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A BILL

To promote quality student loan servicing by improving the borrower experience for borrowers of Federal Direct Loans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Student Loan Servicer Performance Accountability Act''.

SEC. 2. COMPETITION IN STUDENT LOAN SERVICING.

(a) CANCELLATION OF SOLICITATIONS.—The Secretary of Education shall cancel the Department of Education solicitations for the Federal Aid Servicing Solution dated April 4, 2016 and October 26, 2016, including any amendments to those solicitations (Solicitation No. ED–FSA–17–R–0001 et seq).

(b) COMPETITION IN STUDENT LOAN SERVICING.—Section 456 of the Higher Education Act of 1965 (20 U.S.C. 1087f) is amended by adding at the end the following:

"(c) COMPETITION IN STUDENT LOAN SERVICING.—

"(1) COMPETITION.—As of the date of enactment of the Student Loan Servicer Performance Accountability Act, in order to promote accountability and high-quality services to borrowers, the Secretary shall not issue any contract solicitation for a new Federal student loan servicing solution unless such a solution—

"(A) provides for the participation of multiple student loan servicers that contract directly with the Department of Education; and

"(B) allocates student loan borrower accounts to eligible student loan servicers based on performance.

"(2) PROHIBITION.—The Secretary shall not award a contract to a single servicer to service all Federal Direct Loans.".

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