

116TH CONGRESS
1ST SESSION

H. R. 4119

To amend the Higher Education Act of 1965 to extend the interest-free grace period certain loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2019

Mr. LAWSON of Florida (for himself, Ms. TLAIB, and Mr. VARGAS) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Act of 1965 to extend the interest-free grace period certain loans, and for other purposes.

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 Loan Defer-
5 ment Act of 2019”.

6 **SEC. 2. INTEREST-FREE GRACE PERIOD.**

7 (a) REPAYMENT PERIOD.—

8 (1) EXTENSION OF GRACE PERIOD.—Section
9 428(b)(7)(A) of the Higher Education Act of 1965

1 (20 U.S.C. 1078(b)(7)(A)) is amended by striking
2 “6 months” and inserting “1 year”.

3 (2) PERKINS.—Section 464(c)(1)(A) of the
4 Higher Education Act of 1965 (20 U.S.C.
5 1087dd(c)(1)(A)) is amended—

6 (A) by striking “nine months” and insert-
7 ing “1 year”; and

8 (B) by striking “9 months” and inserting
9 “1 year”.

10 (b) INTEREST RATES.—Section 455(b) of the Higher
11 Education Act of 1965 (20 U.S.C. 1087e(b)) is amended
12 by adding at the end the following:

13 “(11) IN SCHOOL AND GRACE PERIOD RULES.—
14 Notwithstanding the preceding paragraphs of this
15 subsection, with respect to any Federal Direct Staf-
16 ford Loan or Federal Direct Unsubsidized Stafford
17 Loan made under this part for which the first dis-
18bursement is made on or after July 1, 2020, the ap-
19plicable rate of interest for interest which accrues—

20 “(A) prior to the beginning of the repay-
21 ment period of the loan; or

22 “(B) during the period in which principal
23 need not be paid (whether or not such principal
24 is in fact paid) by reason of a provision de-

1 scribed in section 428(b)(1)(M) or
2 427(a)(2)(C),
3 shall be equal to zero percent.”.

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