

One Hundred Seventeenth Congress
of the
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday,
the third day of January, two thousand and twenty two*

An Act

To amend the Higher Education Act of 1965 to authorize borrowers to separate joint consolidation 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 “Joint Consolidation Loan Separation Act”.

SEC. 2. SEPARATING JOINT CONSOLIDATION LOANS.

(a) IN GENERAL.—Section 455(g) of the Higher Education Act of 1965 (20 U.S.C. 1087e(g)) is amended—

(1) by striking “A borrower” and inserting the following:
“(1) IN GENERAL.—A borrower”; and

(2) by adding at the end the following:

“(2) SEPARATING JOINT CONSOLIDATION LOANS.—

“(A) IN GENERAL.—

“(i) AUTHORIZATION.—A married couple, or 2 individuals who were previously a married couple, and who received a joint consolidation loan as such married couple under subparagraph (C) of section 428C(a)(3) (as such subparagraph was in effect on June 30, 2006), may apply to the Secretary, in accordance with subparagraph (C) of this paragraph, for each individual borrower in the married couple (or previously married couple) to receive a separate Federal Direct Consolidation Loan under this part.

“(ii) ELIGIBILITY FOR BORROWERS IN DEFAULT.—Notwithstanding any other provision of this Act, a married couple, or 2 individuals who were previously a married couple, who are in default on a joint consolidation loan may be eligible to receive a separate Federal Direct Consolidation Loan under this part in accordance with this paragraph.

“(B) SECRETARIAL REQUIREMENTS.—Notwithstanding section 428C(a)(3)(A) or any other provision of law, for each individual borrower who applies under subparagraph (A), the Secretary shall—

“(i) make a separate Federal Direct Consolidation Loan under this part that—

“(I) shall be for an amount equal to the product of—

“(aa) the unpaid principal and accrued unpaid interest of the joint consolidation loan

(as of the date that is the day before such separate consolidation loan is made) and any outstanding charges and fees with respect to such loan; and

“(bb) the percentage of the joint consolidation loan attributable to the loans of the individual borrower for whom such separate consolidation loan is being made, as determined—

“(AA) on the basis of the loan obligations of such borrower with respect to such joint consolidation loan (as of the date such joint consolidation loan was made); or

“(BB) in the case in which both borrowers request, on the basis of proportions outlined in a divorce decree, court order, or settlement agreement; and

“(II) has the same rate of interest as the joint consolidation loan (as of the date that is the day before such separate consolidation loan is made); and

“(ii) in a timely manner, notify each individual borrower that the joint consolidation loan had been repaid and of the terms and conditions of their new loans.

“(C) APPLICATION FOR SEPARATE DIRECT CONSOLIDATION LOAN.—

“(i) JOINT APPLICATION.—Except as provided in clause (ii), to receive separate consolidation loans under this part, both individual borrowers in a married couple (or previously married couple) shall jointly apply under subparagraph (A).

“(ii) SEPARATE APPLICATION.—An individual borrower in a married couple (or previously married couple) may apply for a separate consolidation loan under subparagraph (A) separately and without regard to whether or when the other individual borrower in the married couple (or previously married couple) applies under subparagraph (A), in a case in which—

“(I) the individual borrower certifies to the Secretary that such borrower—

“(aa) has experienced an act of domestic violence (as defined in section 40002 of the Violence Against Women Act of 1994 (34 U.S.C. 12291) from the other individual borrower;

“(bb) has experienced economic abuse (as defined in section 40002 of the Violence Against Women Act of 1994 (34 U.S.C. 12291) from the other individual borrower; or

“(cc) is unable to reasonably reach or access the loan information of the other individual borrower; or

“(II) the Secretary determines that authorizing each individual borrower to apply separately under

subparagraph (A) would be in the best fiscal interests of the Federal Government.

“(iii) REMAINING OBLIGATION FROM SEPARATE APPLICATION.—In the case of an individual borrower who receives a separate consolidation loan due to the circumstances described in clause (ii), the other non-applying individual borrower shall become solely liable for the remaining balance of the joint consolidation loan.”.

(b) CONFORMING AMENDMENT.—Section 428C(a)(3)(B)(i)(V) of the Higher Education Act of 1965 (20 U.S.C. 1078–3(3)(B)(i)(V)) is amended—

- (1) by striking “or” at the end of item (bb);
- (2) by striking the period at the end of item (cc) and inserting “; or”; and
- (3) by adding at the end the following:

“(dd) for the purpose of separating a joint consolidation loan into 2 separate Federal Direct Consolidation Loans under section 455(g)(2).”.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*