

1510, a bill to provide for auditable financial statements for the Department of Defense, and for other purposes.

S. 1622

At the request of Ms. HEITKAMP, the names of the Senator from Washington (Mrs. MURRAY) and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 1622, a bill to establish the Alyce Spotted Bear and Walter Soboleff Commission on Native Children, and for other purposes.

S. 1659

At the request of Mr. DURBIN, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1659, a bill to amend the Higher Education Act of 1965 regarding proprietary institutions of higher education in order to protect students and taxpayers.

S. 1690

At the request of Mr. LEAHY, the name of the Senator from Maine (Mr. KING) was added as a cosponsor of S. 1690, a bill to reauthorize the Second Chance Act of 2007.

S. 1708

At the request of Mr. MERKLEY, the names of the Senator from Massachusetts (Mr. MARKEY), the Senator from Minnesota (Mr. FRANKEN) and the Senator from Vermont (Mr. SANDERS) were added as cosponsors of S. 1708, a bill to amend title 23, United States Code, with respect to the establishment of performance measures for the highway safety improvement program, and for other purposes.

S. 1712

At the request of Mr. HATCH, the name of the Senator from Indiana (Mr. COATS) was added as a cosponsor of S. 1712, a bill to provide protections for workers with respect to their right to select or refrain from selecting representation by a labor organization.

S. 1725

At the request of Mr. VITTER, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1725, a bill to amend the Securities Investor Protection Act of 1970 to confirm that a customer's net equity claim is based on the customer's last statement and that certain recoveries are prohibited, to change how trustees are appointed, and for other purposes.

S. 1735

At the request of Mr. ALEXANDER, the name of the Senator from Indiana (Mr. COATS) was added as a cosponsor of S. 1735, a bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to exclude from the definition of health insurance coverage certain medical stop-loss insurance obtained by certain plan sponsors of group health plans.

S. 1739

At the request of Mr. HOEVEN, the name of the Senator from Wisconsin (Mr. JOHNSON) was added as a cosponsor of S. 1739, a bill to modify the efficiency standards for grid-enabled water heaters.

S. 1740

At the request of Ms. LANDRIEU, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 1740, a bill to authorize Department of Veterans Affairs major medical facility leases, and for other purposes.

S. 1747

At the request of Mr. REED, the names of the Senator from Ohio (Mr. BROWN) and the Senator from Delaware (Mr. COONS) were added as cosponsors of S. 1747, a bill to provide for the extension of certain unemployment benefits, and for other purposes.

S. 1797

At the request of Mr. REED, the names of the Senator from Ohio (Mr. BROWN), the Senator from Rhode Island (Mr. WHITEHOUSE) and the Senator from Delaware (Mr. COONS) were added as cosponsors of S. 1797, a bill to provide for the extension of certain unemployment benefits, and for other purposes.

S. RES. 299

At the request of Mr. SCHUMER, the names of the Senator from Nebraska (Mr. JOHANNES) and the Senator from Florida (Mr. RUBIO) were added as cosponsors of S. Res. 299, a resolution congratulating the American Jewish Joint Distribution Committee on the celebration of its 100th anniversary and commending its significant contribution to empower and revitalize developing communities around the world.

AMENDMENT NO. 2155

At the request of Mr. COBURN, the name of the Senator from Ohio (Mr. PORTMAN) was added as a cosponsor of amendment No. 2155 intended to be proposed to S. 1197, an original bill to authorize appropriations for fiscal year 2014 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

AMENDMENT NO. 2244

At the request of Mr. HEINRICH, the names of the Senator from Arkansas (Mr. PRYOR) and the Senator from Ohio (Mr. PORTMAN) were added as cosponsors of amendment No. 2244 intended to be proposed to S. 1197, an original bill to authorize appropriations for fiscal year 2014 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

AMENDMENT NO. 2365

At the request of Mr. MORAN, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of amendment No. 2365 intended to be proposed to S. 1197, an original bill to authorize appropriations for fiscal year 2014 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe

military personnel strengths for such fiscal year, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN (for himself, Mr. WARREN, Mrs. BOXER, and Mr. REED):

S. 1803. A bill to require certain protections for student loan borrowers, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. DURBIN. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1803

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 Borrower Bill of Rights".

SEC. 2. TRUTH IN LENDING ACT AMENDMENTS.

The Truth in Lending Act (15 U.S.C. 1601 et seq.) is amended—

(1) in section 128 (15 U.S.C. 1638)—

(A) in subsection (e)—

(i) in paragraph (1)(O), by striking "paragraph (6)" and inserting "paragraph (9)";

(ii) in paragraph (2)(L), by striking "paragraph (6)" and inserting "paragraph (9)";

(iii) in paragraph (4)(C), by striking "paragraph (7)" and inserting "paragraph (10)";

(iv) by redesignating paragraphs (5) through (11) as paragraphs (8) through (14), respectively;

(v) by inserting after paragraph (4) the following:

"(5) DISCLOSURES BEFORE FIRST FULLY AMORTIZED PAYMENT.—Not fewer than 30 days and not more than 150 days before the first fully amortized payment on a private education loan is due from the borrower, the private educational lender shall disclose to the borrower, clearly and conspicuously—

"(A) the information described in—

"(i) paragraph (2)(A) (adjusted, as necessary, for the rate of interest in effect on the date the first fully amortized payment on a private education loan is due);

"(ii) subparagraphs (B) through (G) of paragraph (2);

"(iii) paragraph (2)(H) (adjusted, as necessary, for the rate of interest in effect on the date the first fully amortized payment on a private education loan is due);

"(iv) paragraph (2)(K); and

"(v) subparagraphs (O) and (P) of paragraph (2);

"(B) the scheduled date upon which the first fully amortized payment is due;

"(C) the name of the lender and servicer, and the address to which communications and payments should be sent including a telephone number and website where the borrower may obtain additional information;

"(D) a description of alternative repayment plans, including loan consolidation or refinancing, and servicemember or veteran benefits under the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) or other Federal or State law related to private education loans; and

"(E) a statement that a Servicemember and Veterans Liaison designated under paragraph (15)(F) is available to answer inquiries about servicemember and veteran benefits related to private education loans, including the toll-free telephone number to contact the Liaison pursuant to paragraph (15)(F).

“(6) DISCLOSURES WHEN BORROWER IS 30 DAYS DELINQUENT.—Not fewer than 5 days after a borrower becomes 30 days delinquent on a private education loan, the private educational lender shall disclose to the borrower, clearly and conspicuously—

“(A) the date on which the loan will be charged-off (as defined in paragraph (15)(A)) or assigned to collections, including the consequences of such charge-off or assignment to collections, if no payment is made;

“(B) the minimum payment that the borrower must make to avoid the loan being charged off (as defined in paragraph (15)(A)) or assigned to collection, and the minimum payment that the borrower must make to bring the loan current;

“(C) a statement informing the borrower that a payment of less than the minimum payment described in subparagraph (B) could result in the loan being charged off (as defined in paragraph (15)(A)) or assigned to collection; and

“(D) a statement that a Servicemember and Veterans Liaison designated under paragraph (15)(F) is available to answer inquiries about servicemember and veteran benefits related to private education loans, including the toll-free telephone number to contact the Liaison pursuant to paragraph (15)(F).

“(7) DISCLOSURES WHEN BORROWER IS HAVING DIFFICULTY MAKING PAYMENT OR IS 60 DAYS DELINQUENT.—

“(A) IN GENERAL.—Not fewer than 5 days after a borrower notifies a private educational lender that the borrower is having difficulty making payment or a borrower becomes 60 days delinquent on a private education loan, the private educational lender shall—

“(i) complete a full review of the borrower's private education loan and make a reasonable effort to obtain the information necessary to determine—

“(I) if the borrower is eligible for an alternative repayment plan, including loan consolidation or refinancing; and

“(II) if the borrower is eligible for servicemember or veteran benefits under the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) or other Federal or State law related to private education loans;

“(ii) provide the borrower, in writing, in simple and understandable terms, information about alternative repayment plans and benefits for which the borrower is eligible, including all terms, conditions, and fees or costs associated with such repayment plan, pursuant to paragraph (8)(D);

“(iii) allow the borrower not less than 30 days to apply for an alternative repayment plan or benefits, if eligible; and

“(iv) notify the borrower that a Servicemember and Veterans Liaison designated under paragraph (15)(F) is available to answer inquiries about servicemember and veteran benefits related to private education loans, including the toll-free telephone number to contact the Liaison pursuant to paragraph (15)(F).

“(B) FORBEARANCE OR DEFERMENT.—If a borrower notifies the private educational lender that a long-term alternative repayment plan is not needed, the private educational lender may comply with this paragraph by providing the borrower, in writing, in simple and understandable terms, information about forbearance or deferment options, including all terms, conditions, and fees or costs associated with such options pursuant to paragraph (8)(D).

“(C) NOTIFICATION PROCESS.—

“(i) IN GENERAL.—Each private educational lender shall establish a process, in accordance subparagraph (A), for a borrower to notify the lender that—

“(I) the borrower is having difficulty making payments on a private education loan; and

“(II) a long-term alternative repayment plan is not needed.

“(ii) CONSUMER FINANCIAL PROTECTION BUREAU REQUIREMENTS.—The Director of the Consumer Financial Protection Bureau, in consultation with the Secretary of Education, shall promulgate rules establishing minimum standards for private educational lenders in carrying out the requirements of this paragraph and a model form for borrowers to notify private educational lenders of the information under this paragraph.”;

(vi) in paragraph (8), as redesignated by clause (iv), by adding at the end the following:

“(D) MODEL DISCLOSURE FORM FOR ALTERNATIVE REPAYMENT PLANS, FORBEARANCE, AND DEFERMENT OPTIONS.—Not later than 2 years after the date of enactment of the Student Loan Borrower Bill of Rights, the Director of the Consumer Financial Protection Bureau, in consultation with the Secretary of Education, shall develop and issue model forms to allow borrowers to compare alternative repayment plans, forbearance, and deferment options with the borrower's existing repayment plan with respect to a private education loan. Such forms shall include the following:

“(i) The total amount to be paid over the life of the loan.

“(ii) The total amount in interest to be paid over the life of the loan.

“(iii) The monthly payment amount.

“(iv) The expected pay-off date.

“(v) Related fees and costs.

“(vi) Eligibility requirements, and how the borrower can apply for the alternative repayment plan, forbearance, or deferment option.

“(vii) Any consequences, including the loss of eligibility for alternative repayment plans, forbearance, or deferment options.”;

(vii) in paragraph (11), as redesignated by clause (iv), by striking “paragraph (7)” and inserting “paragraph (10)”;

(viii) in paragraph (14), as redesignated by clause (iv), by striking “paragraph (5)” and inserting “paragraph (8)”;

(ix) by adding at the end the following:

“(15) STUDENT LOAN BORROWER BILL OF RIGHTS.—

“(A) DEFINITIONS.—In this paragraph:

“(i) BORROWER.—The term ‘borrower’ means the person to whom a private education loan is extended.

“(ii) CHARGE OFF.—The term ‘charge off’ means charge to profit and loss, or subject to any similar action.

“(iii) PRIVATE EDUCATION LOAN.—The term ‘private education loan’ has the meaning given the term in section 140(a).

“(iv) SERVICER.—The term ‘servicer’ means the person responsible for the servicing of a private education loan, including any agent of such person or the person who makes, owns, or holds a loan if such person also services the loan.

“(v) SERVICING.—The term ‘servicing’ means—

“(I) receiving any scheduled periodic payments from a borrower pursuant to the terms of a private education loan;

“(II) making the payments of principal and interest and such other payments with respect to the amounts received from the borrower, as may be required pursuant to the terms of the loan; and

“(III) performing other administrative services with respect to the loan.

“(B) SALE, TRANSFER, OR ASSIGNMENT.—If the sale, other transfer, or assignment of a private education loan results in a change in the identity of the party to whom the borrower must send subsequent payments or di-

rect any communications concerning the loan—

“(i) the transferor shall—

“(I) notify the borrower, in writing, in simple and understandable terms, not fewer than 45 days before transferring a legally enforceable right to receive payment from the borrower on such loan, of—

“(aa) the sale or other transfer;

“(bb) the identity of the transferee;

“(cc) the name and address of the party to whom subsequent payments or communications must be sent;

“(dd) the telephone numbers and websites of both the transferor and the transferee;

“(ee) the effective date of the sale, transfer, or assignment;

“(ff) the date on which the transferor servicer will stop accepting payment; and

“(gg) the date on which the transferee servicer will begin accepting payment; and

“(II) forward any payment from a borrower with respect to such private education loan to the transferee servicer, immediately upon receiving such payment, during the 60-day period beginning on the date on which the transferor servicer stops accepting payment of such private education loan; and

“(ii) the transferee shall—

“(I) notify the borrower, in writing, in simple and understandable terms, not fewer than 45 days before acquiring a legally enforceable right to receive payment from the borrower on such loan, of—

“(aa) the sale or other transfer;

“(bb) the identity of the transferee;

“(cc) the name and address of the party to whom subsequent payments or communications must be sent;

“(dd) the telephone numbers and websites of both the transferor and the transferee;

“(ee) the effective date of the sale, transfer, or assignment;

“(ff) the date on which the transferor will stop accepting payment; and

“(gg) the date on which the transferee will begin accepting payment;

“(II) accept as on-time and may not impose any late fee or finance charge for any payment from a borrower with respect to such private education loan that is forwarded from the transferor servicer during the 60-day period beginning on the date on which the transferor servicer stops accepting payment, if the transferor servicer receives such payment on or before the applicable due date, including any grace period;

“(III) provide borrowers a simple, online process for transferring existing electronic fund transfer authority; and

“(IV) honor any promotion or benefit offered to the borrower or advertised by the previous owner or transferor servicer of such private education loan.

“(C) MATERIAL CHANGE IN MAILING ADDRESS OR PROCEDURE FOR HANDLING PAYMENTS.—If a servicer makes a change in the mailing address, office, or procedures for handling payments with respect to any private education loan, and such change causes a delay in the crediting of the account of the borrower made during the 60-day period following the date on which such change took effect, the servicer may not impose any late fee or finance charge for a late payment on such private education loan.

“(D) APPLICATION OF PAYMENTS.—

“(i) IN GENERAL.—Unless otherwise directed by the borrower, upon receipt of a payment, the servicer shall apply amounts first to the interest and fees owed on the payment due date, and then to the principal balance of the private education loan bearing the highest annual percentage rate, and then to each successive interest and fees and then principal balance bearing the next highest annual percentage rate, until the payment is exhausted. A borrower may instruct

or expressly authorize the servicer to apply payments in a different manner.

“(ii) APPLICATION OF EXCESS AMOUNTS.—Unless otherwise directed by the borrower, upon receipt of a payment, the servicer shall apply amounts in excess of the minimum payment amount first to the interest and fees owed on the payment due date, and then to the principal balance of the private education loan balance bearing the highest annual percentage rate, and then to each successive interest and fees and principal balance bearing the next highest annual percentage rate, until the payment is exhausted. A borrower may instruct or expressly authorize the servicer to apply such excess payments in a different manner.

“(iii) APPLY PAYMENT ON DATE RECEIVED.—Unless otherwise directed by the borrower, a servicer shall apply payments to a borrower’s account on the date the payment is received.

“(iv) PROMULGATION OF RULES.—The Director of the Consumer Financial Protection Bureau, in consultation with the Secretary of Education, may promulgate rules for the application of payments that—

“(I) minimizes the amount of fees and interest incurred by the borrower and the total loan amount paid by the borrower;

“(II) minimizes delinquencies, assignments to collection, and charge-offs;

“(III) requires servicers to apply payments on the date received; and

“(IV) allows the borrower to instruct the servicer to apply payments in a manner preferred by the borrower.

“(E) REHABILITATION OF LOANS.—If a borrower successfully and voluntarily makes 9 payments within 20 days of the due date during 10 consecutive months of amounts owed on a private education loan, or otherwise brings a private education loan current after the loan is charged-off, the loan shall be considered rehabilitated, and the lender or servicer shall request that any consumer reporting agency to which the charge-off was reported remove the delinquency that led to the charge-off and the charge-off from the borrower’s credit history.

“(F) SERVICEMEMBERS, VETERANS, AND PRIVATE EDUCATION LOANS.—

“(i) SERVICEMEMBER AND VETERANS LIAISON.—Each servicer shall designate an employee to act as the servicemember and veterans liaison who is responsible for answering inquiries from servicemembers and veterans, and is specially trained on servicemember and veteran benefits under the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) and other Federal or State laws related to private education loans.

“(ii) TOLL-FREE TELEPHONE NUMBER.—Each servicer shall maintain a toll-free telephone number that shall—

“(I) connect directly to the servicemember and veterans liaison designated under clause (i); and

“(II) be made available on the primary internet website of the servicer and on monthly billing statements.

“(iii) PROHIBITION ON CHARGE OFFS.—A lender or servicer may not charge off or report a private education loan as delinquent, assigned to collection (internally or by referral to a third party), or charged-off to a credit reporting agency if the borrower is on active duty in the Armed Forces (as defined in section 101(d)(1) of title 10, United States Code) serving in a combat zone (as designated by the President under section 112(c) of the Internal Revenue Code of 1986).

“(G) BORROWER’S LOAN HISTORY.—

“(i) IN GENERAL.—A servicer shall make available through a secure website, or in writing upon request, the loan history of each borrower for each private education loan, separately designating—

“(I) payment history;

“(II) loan history, including any forbearances, deferrals, delinquencies, assignment to collection, and charge offs;

“(III) annual percentage rate history; and

“(IV) key loan terms, including application of payments to interest, principal, and fees, origination date, principal, capitalized interest, annual percentage rate, including any cap, loan term, and any contractual incentives.

“(ii) ORIGINAL DOCUMENTATION.—A servicer shall make available to the borrower, if requested, at no charge, copies of the original loan documents and the promissory note for each private education loan.

“(H) ERROR RESOLUTION.—The Director of the Consumer Financial Protection Bureau, in consultation with the Secretary of Education, shall promulgate rules requiring servicers to establish error resolution procedures to allow borrowers to inquire about errors related to their private education loans and obtain timely resolution of such errors.

“(I) ADDITIONAL SERVICING STANDARDS.—The Director of the Consumer Financial Protection Bureau, in consultation with the Secretary of Education, may establish additional servicing standards to reduce delinquencies, assignment to collections, and charge-offs, and to ensure borrowers understand their rights and obligations related to their private education loans.

“(J) ARBITRATION.—

“(i) WAIVER OF RIGHTS AND REMEDIES.—Any rights and remedies available to borrowers against servicers may not be waived by any agreement, policy, or form, including by a predispute arbitration agreement.

“(ii) PREDISPUTE ARBITRATION AGREEMENTS.—No predispute arbitration agreement shall be valid or enforceable by a servicer, including as a third-party beneficiary or by estoppel, if the agreement requires arbitration of a dispute with respect to a private education loan. This subparagraph applies to predispute arbitration agreements entered into before the date of enactment of the Student Loan Borrower Bill of Rights, as well as on and after such date of enactment, if the violation that is the subject of the dispute occurred on or after such date of enactment.

“(K) ENFORCEMENT.—The provisions of this paragraph shall be enforced by the agencies specified in subsections (a) through (d) of section 108, in the manner set forth in that section or under any other applicable authorities available to such agencies by law.

“(L) PREEMPTION.—Nothing in this paragraph may be construed to preempt any provision of State law regarding private education loans where the State law provides stronger consumer protections.

“(M) CIVIL LIABILITY.—A servicer that fails to comply with any requirement imposed under this paragraph shall be deemed a creditor that has failed to comply with a requirement under this chapter for purposes of liability under section 130 and such servicer shall be subject to the applicable liability provisions under such section.”; and

(B) by adding at the end the following:

“(g) INFORMATION TO BE AVAILABLE AT NO CHARGE.—The information required to be disclosed under this section shall be made available at no charge to the borrower.”; and

(2) in section 130(a)—

(A) in paragraph (3), by striking “128(e)(7)”

and inserting “128(e)(10)”; and

(B) in the flush matter at the end, by striking “or paragraph (4)(C), (6), (7), or (8) of section 128(e),” and inserting “or paragraph (4)(C), (9), (10), or (11) of section 128(e).”.

SEC. 3. STUDENT LOAN BORROWER BILL OF RIGHTS.

The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in part G of title IV (20 U.S.C. 1088 et seq.) by adding at the end the following:

“SEC. 493E. STUDENT LOAN BORROWER BILL OF RIGHTS.

“(a) DEFINITIONS.—In this section:

“(1) SERVICER.—The term ‘servicer’ means the person responsible for the servicing of any student loan, including any agent of such person or the person who makes, owns, or holds a loan if such person also services the loan.

“(2) SERVICING.—The term ‘servicing’ means—

“(A) receiving any scheduled periodic payments from a borrower pursuant to the terms of a student loan;

“(B) making the payments of principal and interest and such other payments with respect to the amounts received from the borrower, as may be required pursuant to the terms of the loan; and

“(C) performing other administrative services with respect to the loan.

“(3) STUDENT LOAN.—The term ‘student loan’ means a loan made, insured, or guaranteed under this title.

“(b) TRANSFER OF LENDER OR SERVICER.—If the sale, other transfer, or assignment of a student loan results in a change in the identity of the party to whom the borrower must send subsequent payments or direct any communications concerning the loan—

“(1) the transferor shall—

“(A) notify the borrower in writing not fewer than 45 days before transferring a legally enforceable right to receive payment from the borrower on such loan, of—

“(i) the sale, transfer, or assignment;

“(ii) the identity of the transferee;

“(iii) the name and address of the party to whom subsequent payments or communications must be sent;

“(iv) the telephone numbers and websites of both the transferor and the transferee;

“(v) the effective date of the sale, transfer, or assignment;

“(vi) the date on which the current servicer will stop accepting payments; and

“(vii) the date on which the transferee servicer will begin accepting payment; and

“(B) forward to the transferee servicer any payment with respect to such student loan, immediately upon receiving such payment, from a borrower during the 60-day period beginning on the date on which the transferor servicer stops accepting payment for such student loan; and

“(2) the transferee shall—

“(A) notify the borrower in writing not fewer than 45 days before transferring a legally enforceable right to receive payment from the borrower on such loan, of—

“(i) the sale, transfer, or assignment;

“(ii) the identity of the transferor;

“(iii) the name and address of the party to whom subsequent payments or communications must be sent;

“(iv) the telephone numbers and websites of both the transferor and the transferee;

“(v) the effective date of the sale, transfer, or assignment;

“(vi) the date on which the current servicer will stop accepting payments; and

“(vii) the date on which the transferee servicer will begin accepting payment;

“(B) accept as on-time and may not impose any late fee or finance charge with respect to such student loan for any payment forwarded from the transferor servicer during the 60-day period beginning on the date on which the transferor servicer stops accepting payment, if the transferor servicer received such payment from the borrower on or before the applicable due date, including any grace period;

“(C) provide borrowers a simple, online process for transferring existing electronic fund transfer authority; and

“(D) honor any promotion or benefit offered to the borrower or advertised by the previous owner or transferor servicer of such student loan.

“(c) MATERIAL CHANGE IN MAILING ADDRESS OR PROCEDURE FOR HANDLING PAYMENTS.—If a servicer makes a change in the mailing address, office, or procedures for handling payments with respect to any student loan, and such change causes a delay in the crediting of the account of the borrower made during the 60-day period following the date on which such change took effect, the servicer may not impose any late fee or finance charge for a late payment on such student loan.

“(d) ELIGIBILITY FOR DISCHARGE.—The Director of the Consumer Financial Protection Bureau, in consultation with the Secretary, shall promulgate rules requiring lenders and servicers to—

“(1) identify and contact borrowers who may be eligible for student loan discharge by the Secretary;

“(2) provide the borrower, in writing, in simple and understandable terms, information about obtaining such discharge; and

“(3) create a streamlined process for eligible borrowers to apply for and receive such discharge.

“(e) APPLICATION OF PAYMENTS.—

“(1) IN GENERAL.—Notwithstanding any other provision of this Act, the Director of the Consumer Financial Protection Bureau, in consultation with the Secretary, shall issue rules for the application of student loan payments that—

“(A) minimizes the amount of fees and interest incurred by the borrower and the total loan amount paid by the borrower;

“(B) minimizes delinquencies, assignments to collection, and charge offs;

“(C) requires servicers to apply payments on the date received; and

“(D) allows the borrower to direct the servicer to apply payments in a manner preferred by the borrower.

“(2) METHOD THAT BEST BENEFITS BORROWER.—In issuing the rules under paragraph (1), the Director of the Consumer Financial Protection Bureau shall choose the application method that best benefits the borrower and is compatible with existing repayment options.

“(f) SERVICEMEMBERS, VETERANS, AND STUDENT LOANS.—

“(1) SERVICEMEMBER AND VETERANS LIAISON.—Each servicer of a student loan shall designate an employee to act as the servicemember and veterans liaison who is responsible for answering inquiries from servicemembers and veterans, and is specially trained on servicemember and veteran benefits and options under the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) and other Federal or State laws related to student loans.

“(2) TOLL-FREE TELEPHONE NUMBER.—Each servicer of a student loan shall maintain a toll-free telephone number for the servicemember and veterans liaison designated under paragraph (1), which shall be made available on the primary Internet website of the servicer and on monthly billing statements.

“(3) PROHIBITION ON DEFAULT.—Notwithstanding any other provision of this Act, a servicer may not report a student loan as delinquent, assigned to collection (internally or by referral to a third party), charged off, or in default, to a credit reporting agency if the borrower is on active duty in the Armed Forces (as defined in section 101(d)(1) of title 10, United States Code) serving in a combat zone (as designated by the President under section 112(c) of the Internal Revenue Code of 1986).

“(4) ADDITIONAL LIAISONS.—The Secretary shall determine additional entities with

whom borrowers interact, including guaranty agencies, that shall designate an employee to act as the servicemember and veterans liaison who is responsible for answering inquiries from servicemembers and veterans, and is specially trained on servicemember and veteran benefits and options under the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) and other Federal or State laws related to student loans.

“(g) BORROWER'S LOAN HISTORY.—

“(1) IN GENERAL.—A servicer of a student loan shall make available through a secure website, or in writing upon request, the loan history of each borrower for each student loan, separately designating—

“(A) payment history;

“(B) loan history, including any forbearances, deferrals, delinquencies, and defaults;

“(C) annual percentage rate history; and

“(D) key loan terms, including application of payments to interest, principal, and fees, origination date, principal, capitalized interest, annual percentage rate, including any cap, loan term, and any contractual incentives.

“(2) ORIGINAL DOCUMENTATION.—A servicer shall make available to the borrower, if requested, at no charge, copies of the original loan documents and the promissory note for each student loan.

“(h) ERROR RESOLUTION.—The Director of the Consumer Financial Protection Bureau, in consultation with the Secretary, shall promulgate rules requiring servicers to establish error resolution procedures to allow borrowers to inquire about errors related to their student loans and obtain timely resolution of such errors.

“(i) ADDITIONAL SERVICING STANDARDS.—The Director of the Consumer Financial Protection Bureau, in consultation with the Secretary, may establish additional servicing standards to reduce delinquencies, assignments to collection, and defaults, and to ensure borrowers understand their rights and obligations related to their student loans.

“(j) PROMULGATION OF RULES.—The Director of the Consumer Financial Protection Bureau, in consultation with the Secretary, shall promulgate rules implementing this section.”;

(2) in section 433 (20 U.S.C. 1083)—

(A) in subsection (b)—

(i) in paragraph (12), by striking “and” after the semicolon;

(ii) in paragraph (13), by striking the period at the end and inserting “; and”; and

(iii) by adding at the end the following:

“(14) a statement that—

“(A) the borrower may be entitled to servicemember and veteran benefits under the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) and other Federal or State laws; and

“(B) a Servicemember and Veterans Liaison designated under section 493E(f) is available to answer inquiries about servicemember and veteran benefits, including the toll-free telephone number to contact the Liaison pursuant to section 493E(f).”; and

(B) in subsection (e)—

(i) in paragraph (2), by adding at the end the following:

“(D) A statement that—

“(i) the borrower may be entitled to servicemember and veteran benefits under the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) and other Federal or State laws; and

“(ii) a Servicemember and Veterans Liaison designated under section 493E(f) is available to answer inquiries about servicemember and veteran benefits, including the toll-free telephone number to contact the Liaison pursuant to section 493E(f).”;

(ii) in paragraph (3), by adding at the end the following:

“(F) A statement that—

“(i) the borrower may be entitled to servicemember and veteran benefits under the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) and other Federal or State laws; and

“(ii) a Servicemember and Veterans Liaison designated under section 493E(f) is available to answer inquiries about servicemember and veteran benefits, including the toll-free telephone number to contact the Liaison pursuant to section 493E(f).”; and

(iii) by adding at the end the following:

“(4) NOTIFICATION OF REPAYMENT OPTIONS AND ALTERNATIVES TO DEFAULT.—The Secretary shall require eligible lenders to, not later than 1 year after the date of enactment of the Student Loan Borrower Bill of Rights—

“(A) notify borrowers, in writing, in simple and understandable terms, about alternative repayment options, including income-based repayment, income contingent repayment, consolidation, and forgiveness options, as well as servicemember or veteran benefits under the Servicemembers Civil Relief Act (50 U.S.C. App. 501 et seq.) or other Federal or State laws;

“(B) provide borrowers, in writing, in simple and understandable terms, information about alternative repayment plans, including all terms, conditions, and fees or costs associated with such repayment plans in a format that allows the borrower to compare the current repayment plan with alternative repayment plans; and

“(C) offer to enroll such borrowers in alternative repayment plans, if eligible.”; and

(3) in section 455(d) (20 U.S.C. 1087e(d)), by adding at the end the following:

“(6) NOTIFICATION OF REPAYMENT OPTIONS.—The Secretary shall carry out, not later than 1 year after the date of enactment of the Student Loan Borrower Bill of Rights, the activities described in subparagraphs (A), (B), and (C) of section 433(e)(4) with respect to loans made under this part.”.

SEC. 4. KNOW BEFORE YOU OWE.

(a) AMENDMENTS TO THE TRUTH IN LENDING ACT.—

(1) IN GENERAL.—Section 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e)), as amended by section 2, is further amended—

(A) by striking paragraph (3) and inserting the following:

“(3) INSTITUTIONAL CERTIFICATION REQUIRED.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), before a creditor may issue any funds with respect to an extension of credit described in this subsection, the creditor shall obtain from the relevant institution of higher education where such loan is to be used for a student, such institution's certification of—

“(i) the enrollment status of the student;

“(ii) the student's cost of attendance at the institution as determined by the institution under part F of title IV of the Higher Education Act of 1965; and

“(iii) the difference between—

“(I) such cost of attendance; and

“(II) the student's estimated financial assistance, including such assistance received under title IV of the Higher Education Act of 1965 and other financial assistance known to the institution, as applicable.

“(B) EXCEPTION.—Notwithstanding subparagraph (A), a creditor may issue funds, not to exceed the amount described in subparagraph (A)(iii), with respect to an extension of credit described in this subsection without obtaining from the relevant institution of higher education such institution's

certification if such institution fails to provide within 15 business days of the creditor's request for such certification—

“(i) notification of the institution's refusal to certify the request; or

“(ii) notification that the institution has received the request for certification and will need additional time to comply with the certification request.

“(C) LOANS DISBURSED WITHOUT CERTIFICATION.—If a creditor issues funds without obtaining a certification, as described in subparagraph (B), such creditor shall report the issuance of such funds in a manner determined by the Director of the Consumer Financial Protection Bureau.”; and

(B) by adding at the end the following:

“(16) PROVISION OF INFORMATION.—

“(A) PROVISION OF INFORMATION TO STUDENTS.—

“(i) LOAN STATEMENT.—A creditor that issues any funds with respect to an extension of credit described in this subsection shall send loan statements, where such loan is to be used for a student, to borrowers of such funds not less than once every 3 months during the time that such student is enrolled at an institution of higher education.

“(ii) CONTENTS OF LOAN STATEMENT.—Each statement described in clause (i) shall—

“(I) report the borrower's total remaining debt to the creditor, including accrued but unpaid interest and capitalized interest;

“(II) report any debt increases since the last statement; and

“(III) list the current interest rate for each loan.

“(B) NOTIFICATION OF LOANS DISBURSED WITHOUT CERTIFICATION.—On or before the date a creditor issues any funds with respect to an extension of credit described in this subsection, the creditor shall notify the relevant institution of higher education, in writing, of the amount of the extension of credit and the student on whose behalf credit is extended. The form of such written notification shall be subject to the regulations of the Consumer Financial Protection Bureau.

“(C) ANNUAL REPORT.—A creditor that issues funds with respect to an extension of credit described in this subsection shall prepare and submit an annual report to the Consumer Financial Protection Bureau containing the required information about private student loans to be determined by the Consumer Financial Protection Bureau, in consultation with the Secretary of Education.”.

(2) DEFINITION OF PRIVATE EDUCATION LOAN.—Section 140(a)(7)(A) of the Truth in Lending Act (15 U.S.C. 1650(a)(7)(A)) is amended—

(A) by redesignating clause (ii) as clause (iii);

(B) in clause (i), by striking “and” after the semicolon; and

(C) by adding after clause (i) the following:

“(i) is not made, insured, or guaranteed under title VII or title VIII of the Public Health Service Act (42 U.S.C. 292 et seq. and 296 et seq.); and”.

(3) REGULATIONS.—Not later than 365 days after the date of enactment of this Act, the Director of the Consumer Financial Protection Bureau shall issue regulations in final form to implement paragraphs (3) and (16) of section 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e)), as amended by paragraph (1). Such regulations shall become effective not later than 6 months after their date of issuance.

(b) AMENDMENTS TO THE HIGHER EDUCATION ACT OF 1965.—

(1) PROGRAM PARTICIPATION AGREEMENTS.—Section 487(a) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)) is amended by striking paragraph (28) and inserting the following:

“(28)(A) Upon the request of a private educational lender, acting in connection with an application initiated by a borrower for a private education loan in accordance with section 128(e)(3) of the Truth in Lending Act (15 U.S.C. 1638(e)(3)), the institution shall within 15 days of receipt of a certification request—

“(i) provide such certification to such private educational lender—

“(I) that the student who initiated the application for the private education loan, or on whose behalf the application was initiated, is enrolled or is scheduled to enroll at the institution;

“(II) of such student's cost of attendance at the institution as determined under part F of this title; and

“(III) of the difference between—

“(aa) the cost of attendance at the institution; and

“(bb) the student's estimated financial assistance received under this title and other assistance known to the institution, as applicable;

“(ii) notify the creditor that the institution has received the request for certification and will need additional time to comply with the certification request; or

“(iii) provide notice to the private educational lender of the institution's refusal to certify the private education loan under subparagraph (D).

“(B) With respect to a certification request described in subparagraph (A), and prior to providing such certification under subparagraph (A)(i) or providing notice of the refusal to provide certification under subparagraph (A)(iii), the institution shall—

“(i) determine whether the student who initiated the application for the private education loan, or on whose behalf the application was initiated, has applied for and exhausted the Federal financial assistance available to such student under this title and inform the student accordingly; and

“(ii) provide the borrower whose loan application has prompted the certification request by a private education lender, as described in subparagraph (A)(i), with the following information and disclosures:

“(I) The availability of, and the borrower's potential eligibility for, Federal financial assistance under this title, including disclosing the terms, conditions, interest rates, and repayment options and programs of Federal student loans.

“(II) The borrower's ability to select a private educational lender of the borrower's choice.

“(III) The impact of a proposed private education loan on the borrower's potential eligibility for other financial assistance, including Federal financial assistance under this title.

“(IV) The borrower's right to accept or reject a private education loan within the 30-day period following a private educational lender's approval of a borrower's application and about a borrower's 3-day right to cancel period.

“(C) For purposes of this paragraph, the terms ‘private educational lender’ and ‘private education loan’ have the meanings given such terms in section 140 of the Truth in Lending Act (15 U.S.C. 1650).

“(D)(i) An institution shall not provide a certification with respect to a private education loan under this paragraph unless the private education loan includes terms that provide—

“(I) the borrower alternative repayment plans, including loan consolidation or refinancing; and

“(II) that the liability to repay the loan shall be cancelled upon the death or disability of the borrower or co-borrower.

“(ii) In this paragraph, the term ‘disability’ means a permanent and total dis-

ability, as determined in accordance with the regulations of the Secretary of Education, or a determination by the Secretary of Veterans that the borrower is unemployable due to a service-connected disability.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the effective date of the regulations described in subsection (a)(3).

(3) PREFERRED LENDER ARRANGEMENT.—Section 151(8)(A)(ii) of the Higher Education Act of 1965 (20 U.S.C. 1019(8)(A)(ii)) is amended by inserting “certifying,” after “promoting.”.

(c) REPORT.—Not later than 24 months after the issuance of regulations under subsection (a)(3), the Director of the Consumer Financial Protection Bureau and the Secretary of Education shall jointly submit to Congress a report on the compliance of institutions of higher education and private educational lenders with section 128(e)(3) of the Truth in Lending Act (15 U.S.C. 1638(e)), as amended by subsection (a), and section 487(a)(28) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)), as amended by subsection (b). Such report shall include information about the degree to which specific institutions utilize certifications in effectively encouraging the exhaustion of Federal student loan eligibility and lowering student private education loan debt.

SEC. 5. REPORT ON STUDENT LOAN SERVICERS.

Not later than 1 year after the date of enactment of this Act, the Director of the Consumer Financial Protection Bureau, in consultation with the Secretary of Education, shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Health, Education, Labor, and Pensions of the Senate, the Committee on Financial Services of the House of Representatives, and the Committee on Education and the Workforce of the House of Representatives on private and Federal student loan servicers, including—

(1) any legislative recommendations to improve student loan servicing standards; and

(2) information on proactive early intervention methods by servicers to help distressed student loan borrowers enroll in any eligible repayment plans.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 317—EXPRESSING THE SENSE OF THE SENATE ON THE CONTINUING RELATIONSHIP BETWEEN THE UNITED STATES AND GEORGIA

Mr. SESSIONS (for himself and Mrs. SHAHEEN) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 317

Whereas Georgia is a highly valued partner of the United States and has repeatedly demonstrated its commitment to advancing the mutual interests of both countries, including through the deployment of Georgian forces as part of the NATO-led International Security Assistance Force (ISAF) in Afghanistan, where Georgia is currently the largest non-NATO contributor and serving without caveats in Helmand Province, and the Multi-National Force in Iraq;

Whereas, contrary to international law and the 2008 ceasefire agreement between Russia and Georgia, Russian forces have constructed barriers, including barbed wire and fences, along the administrative boundary line for the South Ossetia region of Georgia;