AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 4508
OFFERED BY MS. BONAMICI OF OREGON, MR.
TAKANO OF CALIFORNIA, AND MS. WILSON
OF FLORIDA

Strike sections 101, 102, 141, 462, and 494E.

Strike section 421 and insert the following:

SEC. 421. TERMINATION OF CERTAIN REPAYMENT PLANS.

(a) Rulemaking Regarding Termination of Certain Repayment Plans.—Before July 1, 2018, the Secretary of Education shall carry out a plan to end all eligibility for repayment plans other than a fixed repayment plan described in section 493E and an income-based repayment plan described under section 493C(f) for loans made under part B or D of title IV of the Higher Education Act of 1965, unless the borrower is enrolled in another repayment plan before such effective date, in accordance with the amendments made by this Act.

(b) Changes to Current Law.—
(1) Insurance Program Agreements to Qualify Loans for Interest Subsidies.—Section 428(b) (20 U.S.C. 1078(b)) is amended—
(A) in paragraph (1)—

(i) in subparagraph (D)—

(I) in clause (ii), by striking “may annually change the selection of a repayment plan under this part,” and inserting “may at any time after July 1, 2018, change the selection of a repayment plan under this part to one of the 2 repayment plans described in paragraph (9)(C),”; and

(II) in clause (iii), by striking “be subject to income contingent repayment in accordance with subsection (m);” and inserting “be subject to income-based repayment in accordance with section 493C(f);”; and

(ii) in subparagraph (E)(i), by striking “the option of repaying the loan in accordance with a standard, graduated, income-sensitive, or extended repayment schedule (as described in paragraph (9)) established by the lender in accordance with regulations of the Secretary; and” and inserting “the option of repaying the loan in accordance with a repayment plan
described in paragraph (9)(C) established
by the lender in accordance with regula-
tions of the Secretary; and”; and
(B) in paragraph (9), by adding at the end
the following:

“(C) SELECTION OF REPAYMENT PLANS
ON AND AFTER JULY 1, 2018.—

“(i) OPPORTUNITY TO CHANGE REP-
PAYMENT PLANS.—Notwithstanding any
other provision of this paragraph, or any
other provision of law, and in accordance
with regulations, beginning on July 1,
2018, the lender shall offer a borrower of
a loan made, insured, or guaranteed under
this part the opportunity to change repay-
ment plans, and to enroll in one of the fol-
lowing repayment plans:

“(I) A fixed repayment plan de-
scribed in section 493E.

“(II) The income-based repay-
ment plan under section 493C(f).”.

Strike 426 and insert the following:
SEC. 426. STUDENT LOAN CONTRACT; AUTOMATIC INCOME MONITORING PROCEDURES.

(a) STUDENT LOAN CONTRACT.—Section 432(m)(1)(D) (20 U.S.C. 1082(m)(1)(D)) is amended by adding at the end the following:

“(iv) STUDENT LOAN CONTRACT.—

“(I) IN GENERAL.—Any form described in this subparagraph developed or used for loans made under part D for which the first disbursement is on or after the date of enactment of the PROSPER Act shall be referred to as a ‘student loan contract’.

“(II) ANNUAL BASIS.—Such student loan contract shall be provided to borrowers on an annual basis in accordance with section 485(l)(5) for loans made under this part and part D.”.

(b) AUTOMATIC INCOME MONITORING PROCEDURES AFTER A TOTAL AND PERMANENT DISABILITY DISCHARGE.—Section 437(a) (20 U.S.C. 1087(a)) is amended by adding at the end the following:

“(3) AUTOMATIC INCOME MONITORING.—
“(A) IN GENERAL.—Not later than 2 years after the date of enactment of the PROSPER Act, the Secretary shall establish and implement, with respect to any borrower described in subparagraph (B), procedures to—

“(i) obtain (for each year of the income-monitoring period described in subparagraph (B) and without further action by the borrower) such information as is reasonably necessary regarding the income of such borrower (and the borrower’s spouse, if applicable) for the purpose of determining the borrower’s continued eligibility for the loan discharge described in subparagraph (B) for such year, and any other information necessary to determine such continued eligibility of the borrower for such year, except that—

“(I) in the case of a borrower whose returns and return information indicate that the borrower has no earned income for any year of such income-monitoring period, such borrower shall be treated as not having
earned income in excess of the poverty line for such year; and

“(II) this clause shall be subject to clause (ii);

“(ii) allow the borrower, at any time, to opt out of clause (i) and prevent the Secretary from obtaining information under such clause without further action by the borrower; and

“(iii) provide the borrower with an opportunity to update the information obtained under clause (i) before the determination of the borrower’s continued eligibility for such loan discharge for such year.

“(B) APPLICABILITY.—Subparagraph (A) shall apply—

“(i) to each borrower of a covered loan (defined in section 455(d)(8)) that is discharged under this subsection or section 464(c)(1)(F) due to the permanent and total disability of the borrower; and

“(ii) during the income-monitoring period under this subsection, defined in this paragraph as the period—
“(I) beginning on the date on which such loan is so discharged; and

“(II) during which the Secretary determines whether a reinstatement of the obligation of, and resumption of collection on, such loan may be necessary.”.

Strike 427 and insert the following:

SEC. 427. REPAYMENT OF PARENT LOANS DUE TO STUDENT DISABILITY.

Section 437(d) (20 U.S.C. 1087(d)) is amended—

(1) by striking “If a student” and inserting the following:

“(1) DEATH.—If a student”; and

(2) by adding at the end the following:

“(2) DISABILITY.—

“(A) IN GENERAL.—The Secretary shall discharge a parent’s liability on a loan described in section 428B by repaying the amount owed on the loan if the student on whose behalf the parent has received the loan—

“(i) becomes permanently and totally disabled (as determined in accordance with regulations of the Secretary); or
“(ii) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, has lasted for a continuous period of not less than 60 months, or can be expected to last for a continuous period of not less than 60 months.

“(B) DISABILITY DETERMINATIONS.—Subsection (a)(2) shall apply to a disability determination under this paragraph in the same manner as such subsection applies to a determination under subsection (a)(1).

“(C) SAFEGUARDS.—The safeguards to prevent fraud and abuse developed under subsection (a)(1) shall apply under this paragraph.

“(D) REINSTATEMENT OF LOANS.—The Secretary may promulgate regulations to reinstate the obligation of, and resume collection on, loans discharged under this paragraph in cases in which the Secretary determines that the reinstatement and resumption is necessary and appropriate based upon the regulations developed under subsection (a)(1).”.

Strike section 451 and insert the following:
SEC. 451. AMENDMENTS TO FEDERAL DIRECT LOANS.

(a) REPEAL OF ORIGINATION FEES.—

(1) IN GENERAL.—Subsection (e) of section 455 (20 U.S.C. 1087e(c)) is repealed.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to loans made under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) for which the first disbursement of principal is made, or, in the case of a Federal Direct Consolidation Loan, the application is received, on or after July 1, 2018.

(b) REPAYMENT PLANS.—Section 455(d) (20 U.S.C. 1087e(d)) is amended—

(1) by redesignating paragraphs (2) through (5) as paragraphs (3) through (6), respectively;

(2) by inserting after paragraph (1), the following:

“(2) DESIGN AND SELECTION ON AND AFTER JULY 1, 2018.—

“(A) IN GENERAL.—Notwithstanding paragraph (1), for the borrower of a loan made on or after July 1, 2018, and for other borrowers subject to paragraph (7), the Secretary shall offer a borrower of a loan made under this part 2 plans for repayment of such loan, including
principal and interest on the loan. The borrower shall be entitled to accelerate, without penalty,
repayment on the borrower’s loans under this part. The borrower may choose—

“(i) a fixed repayment plan described in section 493E; or

“(ii) the income-based repayment plan under section 493C(f).

“(B) Selection by the Secretary.—If a borrower of a loan made under this part on or after July 1, 2018, does not select a repayment plan described in subparagraph (A), the Secretary may provide the borrower with a fixed repayment plan described in section 493E.

“(C) Changes in selections.—Beginning on July 1, 2018, a borrower of a loan made under this part may change the borrower’s selection of a repayment plan in accordance with paragraph (7) and under such terms and conditions as may be established by the Secretary.”; and

(3) by adding at the end the following:

“(7) Borrowers of loans made before July 1, 2018.—A borrower who is in repayment on
a loan made under part B or part D before July 1, 2018—

“(A) may choose to retain the repayment plan that the borrower was enrolled in on the day before such date;

“(B) may elect to—

“(i) enter the income-based repayment plan under section 493C(f); or

“(ii) enter a fixed repayment plan described in section 493E;

“(C) after electing to leave a repayment plan other than an income-based repayment plan described under this subsection or a fixed repayment plan described in section 493E, shall not be permitted to re-elect a repayment plan that is not an income-based repayment plan under this subsection or a fixed repayment plan described in section 493E; and

“(D) shall retain, for purposes of repayment or cancellation of any outstanding balance of principal and interest due on a loan (as described in section 493C(b)(7)) any years of repayment under another income-based or income contingent repayment plan under this title.”.
(c) NOTIFICATION AND AUTOMATIC ENROLLMENT

PROCEDURES.—Section 455(d) is further amended by adding at the end the following:

“(8) NOTIFICATION AND AUTOMATIC ENROLLMENT PROCEDURES FOR BORROWERS WHO ARE DELINQUENT ON LOANS.—

“(A) AUTHORITY TO OBTAIN INCOME INFORMATION.—In the case of any borrower who is at least 60 days delinquent on a covered loan, the Secretary may obtain such information as is reasonably necessary regarding the income and family size of the borrower (and the borrower’s spouse, if applicable).

“(B) BORROWER NOTIFICATION.—With respect to each borrower of a covered loan who is at least 60 days delinquent on such loan and who has not been subject to the procedures under this paragraph for such loan in the preceding 120 days, the Secretary shall, as soon as practicable after such 60-day delinquency, provide to the borrower the following:

“(i) Notification that the borrower is at least 60 days delinquent on at least 1 covered loan, and a description of all delinquent covered loans, nondelinquent covered
loans, and noncovered loans of the borrower.

“(ii) A brief description of the repayment plans for which the borrower is eligible and the covered loans and noncovered loans of the borrower that may be eligible for such plans, based on information available to the Secretary.

“(iii) The amount of monthly payments for the covered and noncovered loans under the income-based repayment plan under section 493C(f) and the fixed repayment plan described in section 493E, based on information available to the Secretary, including, if the income information of the borrower is available to the Secretary under subparagraph (A)—

“(I) the amount of the monthly payment under the income-based repayment plan under section 493C(f) and the fixed repayment plan described in section 493E for which the borrower is eligible for the borrower’s covered and noncovered loans, based on such income information; and
“(II) the income, family size, tax
filing status, and tax year information
on which each monthly payment is
based.

“(iv) Clear and simple instructions on
how to select the repayment plans.

“(v) An explanation that, in the case
of a borrower for whom adjusted gross in-
come is unavailable—

“(I) if the borrower selects to
repay the covered loans of such bor-
rower pursuant to the income-based
repayment plan under section 493C(f)
that defines discretionary income in
such a manner that an individual not
required under section 6012(a)(1) of
the Internal Revenue Code of 1986 to
file a return with respect to income
taxes imposed by subtitle A of such
Code may have a calculated monthly
payment greater than $0, the bor-
rower will be required to provide the
Secretary with other documentation of
income satisfactory to the Secretary,
which documentation the Secretary
may use to determine an appropriate repayment schedule; and

“(II) if the borrower selects to repay such loans pursuant to an income-driven repayment plan that is not described in subclause (I), the borrower will not be required to provide the Secretary with such other documentation of income, and the borrower will have a calculated monthly payment of $0.

“(vi) An explanation that the Secretary shall take the actions under subparagraph (C) with respect to such borrower, if—

“(I) the borrower is 120 days delinquent on 1 or more covered loans and has not selected a new repayment plan for the covered loans of the borrower; and

“(II) in the case of such a borrower whose repayment plan for the covered loans of the borrower is not an income-driven repayment plan described in subparagraph (D) or (E) of
paragraph (1), the monthly payments under such repayment plan are higher than such monthly payments would be under the income-based repayment plan under section 493C(f).

“(vii) Instructions on updating the information of the borrower obtained under subparagraph (A).

“(C) SECRETARY’S INITIAL SELECTION OF PLAN.—With respect to each borrower described in subparagraph (B) who has a repayment plan for the covered loans of the borrower that meets the requirements of clause (vi)(II) of subparagraph (B) and has not selected a new repayment plan for such loans in accordance with the notice received under such subparagraph, and who is at least 120 days delinquent on such a loan, the Secretary shall, as soon as practicable—

“(i) provide the borrower with the income-based repayment plan under section 493C(f); and

“(ii) authorize the borrower to change the Secretary’s selection of a plan under
this clause to the fixed repayment plan described in section 493E.

“(D) Opt-out.—A borrower of a covered loan shall have the right to opt out of the procedures under this paragraph.

“(E) Procedures.—The Secretary shall establish procedures as are necessary to effectively implement this paragraph.

“(9) Notification and automatic enrollment procedures for borrowers who are rehabilitating defaulted loans.—

“(A) Authority to obtain income information.—In the case of any borrower who is rehabilitating a covered loan pursuant to section 428F(a), the Secretary may obtain such information as is reasonably necessary regarding the income and family size of the borrower (and the borrower’s spouse, if applicable).

“(B) Borrower notification.—Not later than 30 days after a borrower makes the 6th payment required for the loan rehabilitation described in subparagraph (A), the Secretary shall notify the borrower of the process under subparagraph (C) with respect to such loan.
“(C) Secretary’s selection of plan.—

With respect to each borrower who has made
the 9th payment required for the loan rehabili-
tation described in subparagraph (A), the Sec-
retary shall, as soon as practicable after such
payment, provide the borrower with the income-
based repayment plan under section 493C(f),
without regard to whether the loan has been so
rehabilitated.

“(D) Opt-out.—A borrower of a covered
loan shall have the right to opt out of the pro-
cedures under this paragraph.

“(E) Procedures.—The Secretary shall
establish procedures as are necessary to effec-
tively implement this paragraph.”.

(d) Repayment After Default.—Section
455(d)(6)(B) (20 U.S.C. 1087e(d)(6)(B)), as redesignated
by subsection (b)(1), is amended by striking “an income
contingent repayment plan.” and inserting “the income-
based repayment plan under section 493C(f).”.

(e) Definitions.—Section 455(d) (20 U.S.C.
1087e(d)) is further amended by adding at the end the
following:

“(10) Definitions.—In this subsection:

...
“(A) COVERED LOAN.—The term ‘covered loan’ means—

“(i) a loan made under this part;

“(ii) a loan purchased under section 459A; or

“(iii) a loan that has been assigned to the Secretary under section 428(c)(8) or part E.

“(B) NONCOVERED LOAN.—The term ‘noncovered loan’ means a loan made, insured, or guaranteed under this title that is not a covered loan.”.

(f) APPLICATION OF PREPAYMENT AMOUNTS.—Section 455(d) is further amended by adding at the end the following new paragraph:

“(11) APPLICATION OF PREPAYMENT AMOUNTS.—

“(A) REQUIREMENT.—Notwithstanding any other provision of this subsection or any other provision of law—

“(i) with respect to loans made to an eligible borrower under this part or part B, which are held by the same holder and which have different applicable rates of interest, the holder of such loans shall, un-
less otherwise requested by the borrower in writing, apply the borrower’s prepayment amount (within the meaning of section 682.209(b) of title 34, Code of Federal Regulations, or a successor regulation) for one or more of such loans, first toward the outstanding balance of principal due on the loan with the highest applicable rate of interest among such loans; and

“(ii) except as provided in clause (i), with respect to loans made to an eligible borrower under this part or part B, which are held by the same holder and which have the same applicable rates of interest, the holder of such loans shall, unless otherwise requested by the borrower in writing, apply the borrower’s prepayment amount (within the meaning of section 682.209(b) of title 34, Code of Federal Regulations, or a successor regulation) for one or more of such loans, first toward the outstanding balance of principal due on the loan with the highest principal balance among such loans.

“(B) ELIGIBLE BORROWER.—
“(i) In general.—For purposes of this paragraph, the term ‘eligible borrower’ means a borrower with no outstanding balance of fees, including collection costs and authorized late charges, due on any loan made under this part or part B.

“(ii) Prepayment amounts.—A prepayment amount (as described in subparagraph (A)) made by a borrower who is not an eligible borrower to a holder shall be applied first toward the borrower’s outstanding balance of fees, including collection costs and authorized late charges, due on any loan made under this part or part B held by such holder.”.

(g) Income contingent repayment.—Section 455(e) (20 U.S.C. 1087e(e)) is amended—

(1) in paragraph (3)—

(A) by striking “does not reasonably reflect the borrower’s current income” and inserting “whose income has decreased relative to the adjusted gross income available to the Secretary”; and
(B) by inserting “, consistent with the procedures established under paragraph (8)(B)(iv)” before the period at the end; and

(2) by adding at the end the following:

“(8) AUTOMATIC RECERTIFICATION.—

“(A) DEFINITION.—In this paragraph, the term ‘covered loan’ has the meaning given the term in subsection (d)(10).

“(B) IN GENERAL.—Beginning as soon as the Secretary determines practicable after the Secretary finalizes the procedures under section 498 of the PROSPER Act, but not later than 2 years after the date of enactment of such Act, the Secretary shall establish and implement, with respect to any borrower described in subparagraph (C), procedures to—

“(i) obtain (for each year of repayment and without further action by the borrower) such information as is reasonably necessary regarding the income of such borrower (and the borrower’s spouse, if applicable), for the purpose of determining the repayment obligation of the borrower for such year, including information with respect to the borrower’s family
size in accordance with the procedures under section 498 of the PROSPER Act, subject to clause (ii);

“(ii) allow the borrower, at any time, to opt out of clause (i) and prevent the Secretary from obtaining information under such clause without further action by the borrower;

“(iii) provide the borrower with an opportunity to update the information obtained under clause (i) before the determination of the annual repayment obligation of the borrower; and

“(iv) in the case of a borrower for whom adjusted gross income is unavailable—

“(I) if the borrower has selected to repay the covered loans of such borrower pursuant to an income contingent repayment plan that defines discretionary income in such a manner that an individual not required under section 6012(a)(1) of the Internal Revenue Code of 1986 to file a return with respect to income taxes im-
posed by subtitle A of such Code may have a calculated monthly payment greater than $0, the borrower will be required to provide the Secretary with other documentation of income satisfactory to the Secretary, which documentation the Secretary may use to determine an appropriate repayment schedule; or

“(II) if the borrower has selected to repay such loans pursuant to an income contingent repayment that is not described in subclause (I), the borrower will not be required to provide the Secretary with such other documentation of income, and the borrower will have a calculated monthly payment of $0.

“(C) APPLICABILITY.—Subparagraph (B) shall apply to each borrower of a covered loan who, on or after the date on which the Secretary establishes procedures under such subparagraph—

“(i) selects, or for whom the Secretary selects under paragraph (8)(C) or (9)(C)
of subsection (d), or section 428(m)(1), an
income contingent repayment plan; or
“(ii) recertifies income and family size
under such plan.
“(D) OTHER REQUIREMENTS.—The proce-
dures established by the Secretary under this
paragraph shall be consistent with the require-
ments of paragraphs (1) through (7), except as
otherwise provided in this paragraph.”.

(h) APPLICATION.—The amendments made by sub-
sections (e) through (e) shall—

(1) take effect as soon as the Secretary of Edu-
cation determines practicable after the Secretary fi-
nalizes the procedures under section 498 of this Act,
but not later than 2 years after the date of enact-
ment of this Act; and

(2) apply to all borrowers of covered loans (as
defined in section 455(d)(10) of the Higher Edu-
cation Act of 1965, as added by subsection (e)).

Redesignate sections 452 through 454, as sections
453 through 455, respectively.

After section 451, insert the following:
(a) **IN GENERAL.**—Section 455(g) (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.**—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 or before June 30, 2006), may apply to the Secretary for each individual borrower in the married couple (or previously married couple) to receive a separate Federal Direct Consolidation Loan under this part—

“(i) that shall—

“(I) unless the Secretary receives notice of an agreement described in subclause (II)(aa), be equal to the sum of—
“(aa) the unpaid principal and accrued unpaid interest of the percentage of the joint consolidation loan that, as of the day before such joint consolidation loan was made, was attributable to the loans of the individual borrower for whom such separate consolidation loan is being made; and

“(bb) any other loans described in section 428C(a)(4) that such individual borrower selects for consolidation under this part; or

“(II) be equal to the sum of—

“(aa) the unpaid principal and accrued unpaid interest of the percentage of the joint consolidation loan that, as of the date of application under this paragraph, the married couple (or previously married couple) agrees shall be considered attributable to the loans of the indi-
vidual borrower for whom such separate consolidation loan is being made; and

“(bb) any other loans described in section 428C(a)(4) that such individual borrower selects for consolidation under this part;

“(ii) the proceeds of which shall be paid by the Secretary to the holder or holders—

“(I) of the joint consolidation loan for the purpose of discharging the liability on the percentage of such joint consolidation loan described in subclause (I)(aa) or (II)(aa) of clause (i); and

“(II) of the loans selected for consolidation under subclause (I)(bb) or subclause (II)(bb) of clause (i) for the purpose of discharging the liability on such loans;

“(iii) except as otherwise provided in this paragraph, that has the same terms
and conditions, and rate of interest as the joint consolidation loan;

“(iv) for which any payment made under section 455(m)(1)(A) on the joint consolidation loan during a period in which the individual borrower for whom such separate consolidation loan is being made was employed in a public service job described in section 455(m)(1)(B) shall be treated as if such payment were made on such separate consolidation loan; and

“(v) for which any payment made under an income contingent repayment plan or an income-based repayment plan described in subparagraph (D) or (E) of section 455(d)(1), respectively, on the joint consolidation loan shall be treated as if such payment were made on such separate consolidation loan.

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

“(i) JOINT APPLICATION.—Except as provided in clause (ii), to receive separate consolidation loans under subparagraph (A), 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 subpara-
graph (A) separately and without regard to
whether or when the other individual bor-
rower in the married couple (or previously
married couple) applies under subpara-
graph (A), in a case in which—

“(I) the individual borrower has
experienced from the other individual
borrower—

“(aa) domestic violence (as
defined in section 40002(a) of
the Violence Against Women Act
of 1994 (42 U.S.C. 13925 (a)));
or

“(bb) economic abuse (in-
cluding behaviors that control
such borrower’s ability to ac-
quire, use, and maintain access
to money, credit, or the joint fi-
financial obligations of both borrowers); 

“(II) the individual borrower certifies, on a form approved by the Secretary, that such borrower is unable to reasonably reach or access the loan information of the other individual borrower; or 

“(III) 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.

“(C) BORROWER ELIGIBILITY.—Notwithstanding section 428C(a)(3)(A), the Secretary shall award a consolidation loan under this part to each borrower who—

“(i) applies for such loan under subparagraph (A); and 

“(ii) meets the requirements of subparagraphs (A) and (B).”.

(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).”.

Amend subsection (d) of section 488 to read as follows:

(d) EXIT COUNSELING.—Section 485(b) (20 U.S.C. 1092(b)) is amended—

(1) in paragraph (1)(A)—

(A) in the matter preceding clause (i), striking “through financial aid offices or otherwise” and inserting “through the use of an interactive program, during an exit counseling session that is in-person or online, or through the use of the online counseling tool described in subsection (n)(1)(A)”;

(B) by redesignating clauses (i) through (ix) as clauses (iv) through (xii), respectively;

(C) by inserting before clause (iv), as so redesignated, the following:
“(i) a summary of the outstanding balance of principal and interest due on the loans made to the borrower under part B, D, or E;

“(ii) an explanation of the grace period preceding repayment and the expected date that the borrower will enter repayment;

“(iii) an explanation that the borrower has the option to pay any interest that has accrued while the borrower was in school or that may accrue during the grace period preceding repayment or during an authorized period of deferment or forbearance, prior to the capitalization of the interest;”;

(D) in clause (iv), as so redesignated—

(i) by striking “sample information showing the average” and inserting “information, based on the borrower’s outstanding balance described in clause (i), showing the borrower’s”; and

(ii) by striking “of each plan” and inserting “of at least the fixed repayment plan described in section 493E, the income-based repayment plan under section
493C(f), and any other repayment plan for which each loan may be eligible’’;
(E) in clause (ix), as so redesignated—
(i) by inserting “decreased credit score,” after “credit reports,”; and
(ii) by inserting “reduced ability to rent or purchase a home or car, potential difficulty in securing employment,” after “Federal law,”;
(F) in clause (x), as so redesignated, by striking “consolidation loan under section 428C or a”;
(G) in clauses (xi) and (xii), as so redesignated, by striking “and” at the end; and
(H) by adding at the end the following:
“(xiii) for each of the borrower’s loans made under part B, D, or E for which the borrower is receiving counseling under this subsection, the contact information for the loan servicer of the loan and a link to such servicer’s Website; and
“(xiv) an explanation that an individual has a right to annually request a disclosure of information collected by a consumer reporting agency pursuant to
section 612(a) of the Fair Credit Reporting Act (15 U.S.C. 1681j(a)).’’;

(2) in paragraph (1)(B)—

(A) by inserting “online or” before “in writing”; and

(B) by adding before the period at the end the following: “, except that in the case of an institution using the online counseling tool described in subsection (n)(1)(A), the Secretary shall attempt to provide such information to the student in the manner described in subsection (n)(3)(C)”;

and

(3) in paragraph (2)(C), by inserting “, such as the online counseling tool described in subsection (n)(1)(A),” after “electronic means”.

Strike section 486 and insert the following:

SEC. 486. STATUTE OF LIMITATION.

Subsection (a) of section 484A (20 U.S.C. 1091a(a)) is amended to read as follows:

“(a) STATUTE OF LIMITATIONS.—Notwithstanding any Federal or State statutory, regulatory, or administrative limitation on the period within which debts may be enforced—

“(1) an institution that receives funds under this title may file a suit or initiate or take another
action for collection of a refund due from a student
on a grant made, or work assistance awarded, under
this title, during the 6-year period beginning on the
day after the refund first became due (exclusive of
the period during which the State statute of limita-
tions otherwise applicable to a suit under this para-
graph would be tolled under State law);

“(2) a guaranty agency that has an agreement
with the Secretary under section 428(e) may file a
suit or initiate or take another action for collection
of the amount due from a borrower on a loan made
under part B during the 6-year period beginning on
the day after such guaranty agency reimburses the
previous holder of the loan for its loss on account of
the default of the borrower (exclusive of the period
during which the State statute of limitations other-
wise applicable to a suit under this paragraph would
be tolled under State law);

“(3) an institution that has an agreement with
the Secretary pursuant to section 487 may file a suit
or initiate or take another action for collection of the
amount due from a borrower on a loan made under
part D or E after the default of the borrower on
such loan during the 6-year period beginning on the
day after the date of the default of the borrower
with respect to such amount (exclusive of the period
during which the State statute of limitations other-
wise applicable to a suit under this paragraph would
be tolled under State law); or

“(4) the Secretary, the Attorney General, or the
administrative head of another Federal agency, as
the case may be, may file a suit or initiate or take
another action for collection of a refund due from a
student on a grant made under this title, or for the
repayment of the amount due from a borrower on a
loan made under this title that has been assigned to
the Secretary under this title, during the 6-year pe-
period beginning on the day after the refund or the
amount first became due.”.

Strike subsection (e) of section 488.

Amend subsection (h) of section 488 to read as fol-

h) ANNUAL COUNSELING; ONLINE COUNSELING

(1) CONFORMING AMENDMENT.—Section
485(d)(1) (20 U.S.C. 109((d)(1)) is amended by
striking “including income-sensitive” and all that
follows through “part D” and inserting “including,
beginning on July 1, 2018, the income-based repay-
ment plan under section 493C(f) and the fixed re-

(2) ANNUAL COUNSELING FOR FIRST-TIME
payment plan described in section 493E”.

BORROWERS AND RETURNING BORROWERS.—Section
485(l) (20 U.S.C. 1092(l)) is amended to read as
follows:

“(l) ANNUAL FINANCIAL AID COUNSELING.—

“(1) ANNUAL DISCLOSURE REQUIRED.—

“(A) IN GENERAL.—Each eligible institu-
tion shall ensure that each individual who re-

ceives a loan made under part D (other than a
Federal Direct Consolidation Loan) receives
comprehensive information on the terms and
conditions of such loan and the responsibilities
the individual has with respect to such loan.

Such information shall be provided, for each
award year for which the individual receives
such loan, in a simple and understandable man-

“(i) during a counseling session con-
ducted in person;

“(ii) online, with the individual ac-
knowledging receipt of the information; or
“(iii) through the use of the online counseling tool described in subsection (n)(1)(B).

“(B) USE OF INTERACTIVE PROGRAMS.—In the case of institutions not using the online counseling tool described in subsection (n)(1)(B), the Secretary shall require such institutions to carry out the requirements of subparagraph (A) through the use of interactive programs, during an annual counseling session that is in-person or online, that test the individual’s understanding of the terms and conditions of the loan awarded to the individual, using simple and understandable language and clear formatting.

“(2) ALL INDIVIDUALS.—The information to be provided under paragraph (1)(A) to each individual receiving counseling under this subsection shall include the following:

“(A) An explanation of how the individual may budget for typical educational expenses and a sample budget based on the cost of attendance for the institution.

“(B) An explanation that an individual has a right to annually request a disclosure of infor-
mation collected by a consumer reporting agency pursuant to section 612(a) of the Fair Credit Reporting Act (15 U.S.C. 1681j(a)).

“(C) An introduction to the financial management resources provided by the Consumer Financial Protection Bureau.

“(3) BORROWERS RECEIVING LOANS MADE UNDER PART D (OTHER THAN PARENT PLUS LOANS).—The information to be provided under paragraph (1)(A) to a borrower of a loan made under part D (other than a Federal Direct PLUS Loan made on behalf of a dependent student) shall include the following:

“(A) A notification that some students may qualify for other financial aid and an explanation that the borrower should consider accepting any grant, scholarship, or State or Federal work-study jobs for which the borrower is eligible prior to accepting student loans.

“(B) To the extent practicable, the effect of accepting the loan to be disbursed on the eligibility of the borrower for other forms of student financial assistance.
“(C) An explanation of the use of the student loan contract referred to in section 432(m)(1)(D).

“(D) An explanation that the borrower is not required to accept the full amount of the loan offered to the borrower.

“(E) An explanation of the approved educational expenses for which the borrower may use a loan made under part D.

“(F) A recommendation to the borrower to exhaust the borrower’s Federal student loan options prior to taking out private education loans, an explanation that Federal student loans typically offer better terms and conditions than private education loans, an explanation that Federal student loans offer consumer protections typically not available in the private education loan market, an explanation of treatment of loans made under part D and private education loans in bankruptcy, and an explanation that if a borrower decides to take out a private education loan—

“(i) the borrower has the ability to select a private educational lender of the borrower’s choice;
“(ii) the proposed private education loan may impact the borrower’s potential eligibility for other financial assistance, including Federal financial assistance under this title; and

“(iii) the borrower has a right—

“(I) to accept the terms of the private education loan within 30 calendar days following the date on which the application for such loan is approved and the borrower receives the required disclosure documents, pursuant to section 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e)); and

“(II) to cancel such loan within 3 business days of the date on which the loan is consummated, pursuant to section 128(e)(7) of such Act (15 U.S.C. 1638(e)(7)).

“(G) The interest rate for the loan, as of the date of the counseling.

“(H) Information on how interest accrues and is capitalized during periods when the in-
interest is not paid by either the borrower or the
Secretary.

“(I) In the case of a Federal Direct PLUS
Loan or a Federal Direct Unsubsidized Staff-
ford Loan, the option of the borrower to pay
the interest while the borrower is in school.

“(J) The definition of half-time enrollment
at the institution, during regular terms and
summer school, if applicable, and the con-
sequences of not maintaining at least half-time
enrollment.

“(K) An explanation of the importance of
contacting the appropriate offices at the institu-
tion of higher education if the borrower with-
draws prior to completing the borrower’s pro-
gram of study so that the institution can pro-
vide exit counseling, including information re-
garding the borrower’s repayment options and
loan consolidation.

“(L) The obligation of the borrower to
repay the full amount of the loan, regardless of
whether the borrower completes or does not
complete the program in which the borrower is
enrolled within the regular time for program
completion.
“(M) The likely consequences of default on the loan, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation.

“(N) Notice of the institution’s most recent cohort default rate (as defined in section 435(m)), an explanation of the cohort default rate, the most recent national average cohort default rate, and the most recent national average cohort default rate for the category of institution described in section 435(m)(4) to which the institution belongs.

“(O) Information on the National Student Loan Data System and how the borrower can access the borrower’s records.

“(P) The contact information for the institution’s financial aid office or other appropriate office at the institution the borrower may contact if the borrower has any questions about the borrower’s rights and responsibilities or the terms and conditions of the loan.

“(Q) For a first-time borrower, in addition to all the information described in subparagraphs (A) through (P) —
“(i) a statement of the anticipated balance on the loan for which the borrower is receiving counseling under this subsection;

“(ii) based on such anticipated balance, the anticipated monthly payment amount under, at minimum—

“(I) the fixed repayment plan described in section 493E; and

“(II) the income-based repayment plan under section 493C(f), as determined using regionally available data from the Bureau of Labor Statistics of the average starting salary for the occupation in which the borrower has an interest in or intends to be employed;

“(iii) an estimate of the projected monthly payment amount under each repayment plan described in clause (ii), based on the average cumulative indebtedness at graduation for borrowers of loans made under part D who are in the same program of study as the borrower and the
expected increase in the cost of attendance
of such program; and

“(iv) information on the annual and
aggregate loan limits for Federal Direct
Stafford Loans and Federal Direct Unsub-
sidized Stafford Loans as it pertains to the
loan for which the borrower is receiving
counseling, and a statement that such ag-
gregate borrowing limit may change based
on the borrower’s student status (whether
undergraduate or graduate) or if there is a
change in the borrower’s dependency sta-
tus.

“(R) For a borrower with an outstanding
balance of principal or interest due on a loan
made under this title, in addition to all the in-
formation described in subparagraphs (A)
through (P)—

“(i) information on each student loan
that the institution is aware that the stu-
dent has borrowed, including Federal
loans, private loans, and loans from the in-
stitution;

“(ii) the total amount of the out-
standing balance and interest accrued from
the Federal student loans described in
clause (i);

“(iii) for each Federal loan described
in clause (i), the interest rate for the loan,
as of the date of the counseling, and a
statement that the interest rate on student
loans may vary based on when the loan
was borrowed and other factors;

“(iv) based on such outstanding bal-
ance for the Federal student loans, the an-
ticipated monthly payment amount under
the fixed repayment plan described in sec-
tion 493E, the income-based repayment
plan under section 493C(f), and any other
repayment plan for which each loan may
be eligible, calculated using regionally
available data from the Bureau of Labor
Statistics of the average starting salary for
the occupation the borrower intends to be
employed;

“(v) an estimate of the projected
monthly payment amount under each re-
payment plan described in clause (iv),
based on—
“(I) the outstanding balance described in clause (ii);

“(II) the anticipated outstanding balance on the loan for which the student is receiving counseling under this subsection; and

“(III) a projection for any other loans made under part D that the borrower is reasonably expected to accept during the borrower’s program of study based on at least the average cumulative indebtedness at graduation for borrowers of loans made under Part D who are in the same program of study as the borrower and the expected increase in the cost of attendance of such program;

“(vi) a statement that the outstanding balance described in clause (ii), the interest rate described in clause (iii), and the monthly amount described in clause (iv) and clause (v) does not include any amounts that the student may be required to repay for private or institutional loans; and
“(vii) the percentage of the total aggregate borrowing limit that the student has reached, as of the date of the counseling, for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans, and a statement that such aggregate borrowing limit may change based on the borrower’s student status (whether undergraduate or graduate) or if there is a change in the borrower’s dependency status.

“(4) BORROWERS RECEIVING PARENT PLUS LOANS FOR DEPENDENT STUDENTS.—The information to be provided under paragraph (1)(A) to a borrower of a Federal Direct PLUS Loan made on behalf of a dependent student shall include the following:

“(A) A notification that some students may qualify for other financial aid and an explanation that the student for whom the borrower is taking out the loan for should consider accepting any grant, scholarship, or State or Federal work-study jobs for which the borrower is eligible prior to borrowing Parent PLUS Loans.
“(B) The information described in sub-
paragraphs (B) through (D) and (L) through
(O) of paragraph (3).

“(C) The interest rate for the loan, as of
the date of the counseling.

“(D) The option of the borrower to pay the
interest on the loan while the loan is in
deferment.

“(E) Debt management strategies that are
designed to facilitate the repayment of such in-
debtedness.

“(F) An explanation that the borrower has
the options to prepay each loan, pay each loan
on a shorter schedule, and change repayment
plans.

“(G) For each Federal Direct PLUS Loan
made on behalf of a dependent student for
which the borrower is receiving counseling
under this subsection, the contact information
for the loan servicer of the loan and a link to
such servicer’s Website.

“(H) For a first-time borrower of such
loan—

“(i) a statement of the anticipated
balance on the loan for which the borrower
is receiving counseling under this subsection;

“(ii) based on such anticipated balance, the anticipated monthly payment amount under the fixed repayment plan described in section 493E and the income-based repayment plan under section 493C(f); and

“(iii) an estimate of the projected monthly payment amount under the fixed repayment plan described in section 493E, the income-based repayment plan under section 493C(f), and any other repayment plan for which each loan may be eligible, based on the average cumulative indebtedness of other borrowers of Federal Direct PLUS Loans made on behalf of dependent students who are in the same program of study as the student on whose behalf the borrower borrowed the loan and the expected increase in the cost of attendance of such program.

“(I) For a borrower with an outstanding balance of principal or interest due on such loan—
“(i) a statement of the amount of
such outstanding balance;

“(ii) based on such outstanding bal-
ance, the anticipated monthly payment
amount under the fixed repayment plan
described in section 493E, and income-
based repayment plan under section
493C(f), and any other repayment plan for
which each loan may be eligible; and

“(iii) an estimate of the projected
monthly payment amount under the fixed
and income-based repayment plans, based
on—

“(I) the anticipated outstanding
balance on the loan for which the bor-
rower is receiving counseling under
this subsection; and

“(II) a projection for any other
Federal Direct PLUS Loan made on
behalf of the dependent student that
the borrower is reasonably expected to
accept during the program of study of
such student based on at least the av-
verage cumulative indebtedness of
other borrowers of Federal Direct
PLUS Loans made on behalf of dependent students who are in the same program of study as the student on whose behalf the borrower borrowed the loan and the expected increase in the cost of attendance of such program.

“(5) ANNUAL LOAN ACCEPTANCE.—Prior to making the first disbursement of a loan made under part D (other than a Federal Direct Consolidation Loan) to a borrower for an award year, an eligible institution, shall, as part of carrying out the counseling requirements of this subsection for the loan, ensure that after receiving the applicable counseling under paragraphs (2), (3), and (4) for the loan the borrower accepts the loan for such award year by—

“(A) signing and returning to the institution the student loan contract for the loan referred to in section 432(m)(1)(D) that affirmatively states that the borrower accepts the loan; or

“(B) electronically signing an electronic version of the student loan contract described in subparagraph (A).”
(3) **ONLINE COUNSELING TOOLS.**—Section 485 (20 U.S.C. 1092) is further amended by adding at the end the following:

“(n) **ONLINE COUNSELING TOOLS.**—

“(1) **IN GENERAL.**—Beginning not later than 1 year after the date of enactment of the PROSPER Act, the Secretary shall maintain—

“(A) an online counseling tool that provides the exit counseling required under subsection (b) and meets the applicable requirements of this subsection; and

“(B) an online counseling tool that provides the annual counseling required under subsection (l) and meets the applicable requirements of this subsection.

“(2) **REQUIREMENTS OF TOOLS.**—In maintaining the online counseling tools described in paragraph (1), the Secretary shall ensure that each such tool is—

“(A) consumer tested, in consultation with other relevant Federal agencies, to ensure that the tool is effective in helping individuals understand their rights and obligations with respect to borrowing a loan made under part D;
“(B) understandable to borrowers of loans made under part D; and
“(C) freely available to all eligible institutions.
“(3) RECORD OF COUNSELING COMPLETION.—

The Secretary shall—

“(A) use each online counseling tool described in paragraph (1) to keep a record of which individuals have received counseling using the tool, and notify the applicable institutions of the individual’s completion of such counseling;
“(B) in the case of a borrower who receives annual counseling for a loan made under part D using the tool described in paragraph (1)(B), notify the borrower by when the borrower should accept, in a manner described in subsection (l)(5), the loan for which the borrower has received such counseling; and
“(C) in the case of a borrower described in subsection (b)(1)(B) at an institution that uses the online counseling tool described in paragraph (1)(A) of this subsection, the Secretary shall attempt to provide the information de-
scribed in subsection (b)(1)(A) to the borrower through such tool.”.

Strike subsection (i) of section 488.

In section 491, after subsection (j), insert the following:

(k) PROHIBITION ON LOSS OF ACCESS TO TRANSCRIPTS FOR LOAN DEFAULT; PROHIBITION ON LIMITATIONS ON ABILITY OF STUDENTS TO PURSUE CLAIMS AGAINST CERTAIN INSTITUTIONS OF HIGHER EDUCATION.—Section 487(a) (20 U.S.C. 1094(a)) is amended by adding at the end the following new paragraph:

“(30)(A) The institution will not prohibit a student from accessing the student’s transcripts, degree scrolls, or other certifications of coursework or educational attainments at the institution because the student is in default on the repayment of a loan made, insured, or guaranteed under this title.

“(B) For purposes of this paragraph, the term ‘student’ includes former students.

“(31) The institution will not require any student to agree to, and will not enforce, any limitation or restriction (including a limitation or restriction on any available choice of applicable law, a jury trial, or venue) on the ability of a student to pursue a
claim, individually or with others, against an institution in court.”.

Redesignate section 494C and 494D, as sections 494D and 494E, respectively.

After 494B, insert the following:

SEC. 494C. INCOME-BASED REPAYMENT PLAN.

Section 493C (20 U.S.C. 1098e) is amended—

(1) in subsection (b)—

(A) by amending paragraph (8) to read as follows:

“(8) a borrower who is repaying a loan made, insured, or guaranteed under part B or D pursuant to an income contingent repayment plan or an income-based repayment plan described in subparagraph (D) or (E) of section 455(d)(1), respectively, may elect, at any time, to terminate repayment pursuant to income-based repayment and repay such loan under the income-based repayment plan under section 493C(f) or the fixed repayment plan described in section 493E;”.

(B) in paragraph (9), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:
“(10) a borrower who is repaying a loan made under part B or D pursuant to this section may repay such loan in full at any time without penalty.”;

(2) in subsection (c)—

(A) by striking “The Secretary shall establish” and inserting the following:

“(1) IN GENERAL.—The Secretary shall establish”;

(B) by striking “The Secretary shall consider” and inserting the following:

“(2) PROCEDURES FOR ELIGIBILITY.—The Secretary shall—

“(A) consider”; and

(3) by striking “428C(b)(1)(E).” and inserting the following: “428C(b)(1)(E); and

“(B) beginning as soon as the Secretary determines practicable after the Secretary finalizes the procedures under section 498 of the PROSPER Act, but not later than 2 years after the date of enactment of such Act, carry out, with respect to borrowers of any covered loan (as defined in section 455(d)(10)), procedures for income-based repayment plans under this section that are equivalent to the proce-
dures carried out under section 455(e)(8) with respect to income contingent repayment plans.”;

and

(4) by adding at the end the following:

“(f) INCOME-BASED REPAYMENT FOR NEW LOANS ON AND AFTER JULY 1, 2018, AND FOR BORROWERS WHO ENTER IBR AFTER JULY 1, 2018.—

“(1) IN GENERAL.—The income-based repayment plan shall be carried out in accordance with this section, except as otherwise specified in this subsection (including through the special terms described in paragraph (2))—

“(A) with respect to any loan issued on or after July 1, 2018, if such borrower elects the income-based repayment plan for that loan; and

“(B) with respect to any borrower who is repaying a loan made, insured, or guaranteed under part B or D, if such borrower elects to repay the loan under the income-based repayment plan on or after July 1, 2018.

“(2) SPECIAL TERMS.—Notwithstanding any other provision of this section, with respect to a loan described under paragraph (1), the following terms shall apply to the income-based repayment plan:
“(A)(i) Notwithstanding subsection (a)(3)(B), the repayment amount under this subsection shall be an amount equal to 10 percent of the result obtained by calculating, on at least an annual basis, the amount by which—

“(I) the borrower’s, and the borrower’s spouse’s (if applicable); exceeds

“(II) the applicable percentage of the poverty line in accordance with clause (ii) that is applicable to the borrower’s family size as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

“(ii) For purposes of clause (i), the term ‘applicable percentage’ means 150 percent reduced by 1 percentage point for each $1,000 by which the borrower’s adjusted gross income exceeds $120,000.

“(B) Subsection (b)(7)(B) shall be applied by substituting ‘20 years’ for ‘25 years’.

“(C) A borrower of such a loan shall not be required to have a partial financial hardship and may elect, and remain enrolled in, the in-
come-based repayment plan under this subsection regardless of income level.

“(D) Subparagraph (A) of subsection (b)(6) shall not apply and a borrower’s monthly payment shall be determined in accordance with subparagraph (A) divided by 12, which may exceed the monthly repayment amount under a standard 10-year repayment plan or a fixed repayment plan described in section 493E.

“(E) Subparagraph (B) of subsection (b)(3) shall not apply.

“(3) ADDITIONAL SPECIAL TERMS FOR CERTAIN BORROWERS.—A borrower described in paragraph (1)(B)—

“(A) may choose to retain the repayment plan in which the borrower is enrolled on June 30, 2018;

“(B) may elect to—

“(i) leave the repayment plan described in subparagraph (A) and enter the income-based repayment plan under this subsection; or

“(ii) leave the repayment plan described in subparagraph (A) and enter a
fixed repayment plan described in section 493E;

“(C) after electing to leave a repayment plan other than an income-based repayment plan described under this subsection or the fixed repayment plan described in section 493E, shall not be permitted to re-elect a repayment plan that is not an income-based repayment plan under this subsection or a fixed repayment plan described in section 493E; and

“(D) shall retain, for purposes of repayment or cancellation of any outstanding balance of principal and interest due on a loan (as described in subsection (b)(7)) any years of repayment under another income-based or income contingent repayment plan under this title.

“(4) CAP ON INTEREST ACCRUAL.—Notwithstanding any other provision of this Act, the total amount of interest that accrues during a borrower’s grace period and the time that a borrower is in repayment under this subsection shall not exceed 50 percent of the original principal amount of the loan.”.

After section 494E, as so redesignated, insert the following:
SEC. 494F. FIXED REPAYMENT PLAN.

Part G of title IV (20 U.S.C. 1088 et seq.) is further amended by adding at the end the following:

“SEC. 493E. FIXED REPAYMENT PLAN.

“(a) IN GENERAL.—A borrower of a loan made under this part on or after July 1, 2018, and a borrower who is in repayment on a loan made under part B or part D before July 1, 2018, may elect to repay such loan under the fixed repayment plan described in this section.

“(b) FIXED REPAYMENT PLAN.—Under the fixed repayment plan, a borrower with a total Federal student loan debt amount that—

“(1) is equal to or less than $20,000, shall repay each loan described in subsection (a) with a fixed monthly repayment amount paid over a period of 10 years;

“(2) is more than $20,000 and less than $30,000, shall repay each loan described in subsection (a) with a fixed monthly repayment amount paid over a period of—

“(A) 15 years; or

“(B) the period described in paragraph (1), if the borrower chooses;

“(3) is equal to or greater than $30,000, and less than $40,000, shall repay each loan described in
subsection (a) with a fixed monthly repayment amount paid over a period of—

“(A) 20 years; or

“(B) the period described in paragraph (1) or (2), if the borrower chooses; and

“(4) is equal to or greater than $40,000, shall repay each loan described in subsection (a) with a fixed monthly repayment amount paid over a period of—

“(A) 25 years; or

“(B) the period described in any of paragraphs (1) through (3), if the borrower chooses.”.

At the end of title IV, add the following:

PART I—STUDY AND PROCEDURES ON DETERMINING FAMILY SIZE

SEC. 498. STUDY AND PROCEDURES ON DETERMINING FAMILY SIZE.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Education shall—

(1) conduct, in consultation with the Secretary of the Treasury, a study which meets the specifications described in subsection (b), on the effect of using data from the Internal Revenue Service on the
deduction for personal exemptions provided by section 151 of the Internal Revenue Code of 1986 for a proxy for family size in an income-driven repayment plan, and publish such study in the Federal Register;

(2) use the results of the study conducted under paragraph (1) to develop procedures for determining family size for the automatic recertification of income for an income-driven repayment plan in a manner that minimizes burdens and unintended harm to borrowers;

(3) publish the procedures developed under paragraph (2) in the Federal Register; and

(4) after a notice and comment period on such procedures, use such comments to finalize the procedures.

(b) Specifications.—The study conducted under subsection (a)(1) shall—

(1) determine how closely such personal exemptions match the family size that borrowers report on their income-driven repayment plan request form;

(2) compare the borrower’s actual monthly payment amount with the monthly payment amount borrowers would have using family size information derived from tax returns; and
(3) use data from more than one year, where possible, to analyze how much family size changes over time.

(c) DEFINITION.—The term “the income-driven repayment plan” means a plan described in subparagraph (D) or (E) of section 455(d)(1) of the Higher Education Act of 1965 (20 U.S.C. 1087e(d)(1)) and the income-based repayment plan under section 493C(f) of such Act (20 U.S.C. 1098e(f)), as added by section 494C(4) of this Act.

SEC. 499. LONGITUDINAL STUDY ON THE EFFECTIVENESS OF STUDENT LOAN COUNSELING.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Education, acting through the Director of the Institute of Education Sciences, shall begin conducting a rigorous, longitudinal study of the impact and effectiveness of the student loan counseling—

(1) provided under subsections (b), (l), and (n) of section 485 of the Higher Education Act of 1965 (20 U.S.C. 1092), as amended by this Act; and

(2) provided through such other means as the Secretary of Education may determine.

(b) CONTENTS.—
(1) BORROWER INFORMATION.—The longitudinal study carried out under subsection (a) shall include borrower information, in the aggregate and disaggregated by race, ethnicity, gender, income, status as an individual with a disability, and first generation college student (defined in section 402A(h)(3) of the Higher Education Act of 1965), on—

(A) student persistence;

(B) degree attainment;

(C) program completion;

(D) successful entry into student loan repayment;

(E) cumulative borrowing levels; and

(F) such other factors as the Secretary of Education may determine.

(2) EXCEPTION.—The disaggregation under paragraph (1) shall not be required in a case in which the number of borrowers in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual borrower.

(e) INTERIM REPORTS.—Not later than 18 months after the commencement of the study under subsection (a), and annually thereafter, the Secretary of Education
shall evaluate the progress of the study and report any short-term findings to the appropriate committees of Congress.