

Student Loan Borrower Safety Net Act of 2021

This bill protects borrowers of Federal student loans during the transition period following the end of the COVID-19 student loan repayment pause by:

- Providing earlier and more frequent outreach to borrowers that their payments are to resume;
- Making it easier for borrowers to get into IDR plans;
- Making it easier to access to economic hardship support; and
- Providing a back-end protection for those who end up missing payments after the pause ends to give servicers more time to contact them.

NOTICE TO BORROWERS: At least 60 days before a borrower needs to repay their loan, the Secretary will provide at least 6 notices to the borrower by mail, telephone, or electronically with information including: (1) when the borrower will need to resume payment; (2) that the borrower may be eligible to enroll in income-driven repayment; and (3) options to rehabilitate or consolidate their loan.

PRIORITY NOTIFICATION: The Secretary will prioritize notifying borrowers who in the 5 years before the start of the pandemic either (1) missed a payment or payments for more than 60 days; (2) missed a payment in the first 3 months of entering repayment; (3) entered into a non-administrative forbearance or an economic hardship deferment on 2 or more occasions for a period of longer than 1 year; (4) were enrolled and subsequently unenrolled, or changed to less-than-half-time enrollment status, more than twice after entering repayment, (5) defaulted on their loan; or (6) on 3 or more occasions, missed two or more consecutive payments on their loan.

APPLICATION OR RECERTIFICATION FOR INCOME BASED REPAYMENT: Up to a year after a borrower needs to begin repaying their loan, they can submit a written, verbal, or electronic application or reapplication for an income-contingent or income-based repayment plan. They can self-certify their income and family size.

CHANGE OF REPAYMENT PLANS: A borrower can change their repayment plan without paying a fee.

ECONOMIC HARDSHIP DEFERMENT: If a borrower is unable to make a payment on their loan after the payment pause ends, they may apply for an economic hardship deferment that will last one year.

MISSED PAYMENT NOTIFICATION: Borrowers who miss a payment will be notified about the options for either income-based and income-contingent repayment plans or an economic hardship deferment.

MISSED PAYMENTS ADMINISTRATIVE FORBEARANCE: If a borrower misses a payment or payments on their loan during the 60 days after the payment suspension on their loan ends, the loan will be held in administrative forbearance for an additional 90-day period.

If you have any questions or wish to cosponsor the legislation, please contact Joshua Izaak at Joshua.Izaak@mail.house.gov.