H. R. 1

To protect borrowers of Federal student loans during the transition period following the end of the COVID–19 student loan repayment pause, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. BONAMICI introduced the following bill; which was referred to the Committee on ______________________

A BILL

To protect borrowers of Federal student loans during the transition period following the end of the COVID–19 student loan repayment pause, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3
4 SECTION 1. SHORT TITLE.
5 This Act may be cited as the “Student Loan Bor-
6 rower Safety Net Act of 2023”.
SEC. 2. EXTENSION OF APPLICATION AND RECERTIFICATION DEADLINE.

(a) In General.—Section 3513 of the CARES Act (20 U.S.C. 1001 note) is amended—

(1) by amending subsection (g) to read as follows:

“(g) Notice to Borrowers of Covered Loans Relating to Transition Period.—Not later than the date that is 60 days prior to the first day on which a borrower’s payment obligations on a covered loan are no longer suspended, as determined by the Secretary, the Secretary shall carry out a program to provide a total of not fewer than 6 notices through a combination of postal mail, telephone, and electronic communication to such a borrower indicating—

“(1) when the borrower’s normal payment obligations will resume;

“(2) that the borrower may be eligible to enroll in income-driven repayment, including a brief description of the most affordable and generous income-driven repayment options; and

“(3) the options available to a borrower who is in default, including—

“(A) the option to participate in the Fresh Start program of the Department of Education;
“(B) the option to rehabilitate or consolidate the borrower’s loans; and

“(C) a brief description of the benefits and consequences of each option.”; and

(2) by adding at the end the following:

“(h) PRIORITY NOTIFICATION.—

“(1) IN GENERAL.—In carrying out subsection (g), the Secretary shall give priority in accordance with paragraph (2) to notifying borrowers who—

“(A) during the 5-year period preceding March 31, 2020, missed a payment or payments for a period of not less than 60 days with respect to a covered loan; and

“(B) in the 5 years preceding March 31, 2020—

“(i) missed a payment in the first 3 months of entering repayment with respect to such a covered loan;

“(ii) entered into a non-administrative forbearance or a economic hardship deferment with respect to such a covered loan—

“(I) on 2 or more occasions; or

“(II) for a period of longer than 1 year;
“(iii) were enrolled and subsequently unenrolled, or changed to less-than-half-time enrollment status, more than twice after entering repayment with respect to such a covered loan;

“(iv) defaulted on such a covered loan; or

“(v) on 3 or more occasions, missed two or more consecutive payments with respect to such a covered loan.

“(2) PRIORITY.—In carrying out paragraph (1), the Secretary shall—

“(A) notify borrowers described in such paragraph of the information specified in subsection (g) through at least 3 additional and subsequent notifications after the initial notification; or

“(B) carry out other evidence-based outreach activities that are designed to assist struggling borrowers or borrowers who were otherwise at risk for default before the COVID–19 pandemic, and report to Congress on such activities.

“(i) APPLICATION OR RECERTIFICATION.—
“(1) IN GENERAL.—A borrower of a covered loan may—

“(A) during the period beginning on the date of enactment of the Student Loan Borrower Safety Net Act of 2023, and ending on the date that is one year after the first day on which a borrower’s payment obligations on such loan are no longer suspended, submit a written, verbal, or electronic application or reapplication for an income-driven repayment plan with respect to such loan; and

“(B) under an application described in subparagraph (A), self-certify the income and family size of such borrower.

“(2) CHANGE OF REPAYMENT PLANS.—With respect to a covered loan, in the case of a borrower of such a loan who opts to change the repayment plan in which such borrower was enrolled on the date of the enactment of this section—

“(A) no fee or payment shall be required during the period in which it takes such borrower to become enrolled in such repayment plan; and

“(B) before the borrower selects a new repayment plan, the Secretary shall notify the
borrower of the most affordable and generous repayment plan available to the borrower.

“(3) ECONOMIC HARDSHIP.—

“(A) IN GENERAL.—A borrower of a covered loan who, due to an economic hardship, is unable to make payments with respect to such loan on or after the first day on which the borrower’s payment obligations on such loan are no longer suspended, may apply to the Secretary for an economic hardship deferment for the period beginning on the date of enactment of the Student Loan Borrower Safety Net Act of 2023 and ending on the date that is one year after the first day on which the borrower’s payment obligations on such loan are no longer suspended. To apply for such a deferment, a borrower shall submit a written, verbal, or electronic certification of such economic hardship to the Secretary.

“(B) NOTIFICATION.—The Secretary and any other servicer of a covered loan shall notify borrowers who miss a payment on such a loan of the availability of—
“(i) income-driven repayment plans available in accordance with paragraph (1); and
“(ii) an economic hardship deferment under this paragraph.
“(C) TREATMENT OF BORROWER WITH ECONOMIC HARDSHIP.—In the case of a borrower who submits certification of an economic hardship under subparagraph (A), the Secretary shall treat such borrower in the same manner as a borrower with an economic hardship under section 435(o) of the Higher Education Act of 1965 (20 U.S.C. 1085(o)).
“(j) MISSED PAYMENTS.—In the case of a borrower of a covered loan who misses a payment or payments on such a loan for the 60-day period beginning on the first day on which the borrower’s payment obligations on such loan are no longer suspended, the Secretary or the holder of a loan described in subsection (k)(2) shall—
“(1) hold such loan in administrative forbearance for a 90-day period beginning on the date that is 60 days after the first day on which the borrower’s payment obligations on such loan are no longer suspended; and
“(2) contact such borrower on at least 6 separate occasions regarding the information included in subsection (g).

“(k) COVERED LOAN.—In this section, the term ‘covered loan’ means—

“(1) a loan described in subsection (a); or

“(2) a loan—

“(A) made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.); and

“(B) for which payments were suspended—

“(i) pursuant to the Higher Education Relief Opportunities for Students Act of 2003 (Public Law 108–76; 20 U.S.C. 1070 note); and

“(ii) during a qualifying emergency.”.