

S 3255

Student Borrower Bill of Rights Act of 2006

Congress: 109 (2005–2007, Ended)

Chamber: Senate

Policy Area: Education

Introduced: May 26, 2006

Current Status: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

Latest Action: Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (May 26, 2006)

Official Text: <https://www.congress.gov/bill/109th-congress/senate-bill/3255>

Sponsor

Name: Sen. Clinton, Hillary Rodham [D-NY]

Party: Democratic • State: NY • Chamber: Senate

Cosponsors (5 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Mikulski, Barbara A. [D-MD]	D · MD		May 26, 2006
Sen. Boxer, Barbara [D-CA]	D · CA		Jun 6, 2006
Sen. Kerry, John F. [D-MA]	D · MA		Jun 6, 2006
Sen. Landrieu, Mary L. [D-LA]	D · LA		Jun 6, 2006
Sen. Lieberman, Joseph I. [D-CT]	D · CT		Jun 14, 2006

Committee Activity

Committee	Chamber	Activity	Date
Health, Education, Labor, and Pensions Committee	Senate	Referred To	May 26, 2006

Subjects & Policy Tags

Policy Area:

Education

Related Bills

No related bills are listed.

Student Borrower Bill of Rights Act of 2006 - Urges the Department of Education to vigorously enforce rules requiring lenders to complete lender verification certificates in a timely manner for borrowers seeking to consolidate loans.

Amends the Higher Education Act of 1965 to require specified loan participants under the Federal Family Education Loan (FFEL) and Federal Perkins Loan programs to disclose to each national credit bureau organization any on-time payments made for such loans and their status as student loans.

Repeals the single holder rule which requires borrowers to apply to their current lenders for FFEL consolidation loans.

Offers Federal Direct Consolidation Loans (FDCLs) to borrowers who are unable to obtain insured FFEL consolidation loans with income-sensitive repayment terms.

Requires FFEL consolidation loan borrowers or lenders to pay the Department 1% of the balance owed on the sum of such loans to obtain a subsequent FFEL consolidation loan. Allows borrowers to refinance FDCLs.

Creates a student borrower bill of rights requiring lenders to provide student borrowers with specified loan information at specified periods of time. Urges the Department to distribute a training manual and provide technical assistance to those counseling borrowers concerning the repayment of federal student loans.

Limits, on the basis of a borrower's income, the monthly payment amount required of federal student loan borrowers. Discharges such borrowers' loan liability if they cannot engage in any substantial gainful activity due to a medically determinable impairment which can be expected to result in death or last at least 60 continuous months. Amends federal bankruptcy law to discharge certain educational benefit overpayments, repayments, and student loan debt.

Directs the Secretary to study the interest rates and fees charged to private student loan borrowers. Limits the collection fee on defaulted federal student loans and the total interest and fees that can be imposed on such loan borrowers.

Requires institutions of higher education that enroll students receiving assistance, and tout the employment prospects of their graduates, to make information publicly available concerning graduates' employment, earnings, and loan defaults. Establishes a settlement and appeals process for federal student loan borrowers who suffer economic losses from violation of their rights. Makes institutions of higher education liable for the total amount of a federal student loan if they provide incentives to admissions officers to secure student enrollments or financial aid. Requires lenders to provide borrowers with an easy and unbiased means of designating an overpayment as a prepayment or payment against federal student loan principal.

Actions Timeline

- **May 26, 2006:** Introduced in Senate
- **May 26, 2006:** Sponsor introductory remarks on measure. (CR S5344)
- **May 26, 2006:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.