

S 3593

Student Debt Relief Act of 2006

Congress: 109 (2005–2007, Ended)

Chamber: Senate

Policy Area: Education

Introduced: Jun 28, 2006

Current Status: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S6644-6647)

Latest Action: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S6644-6647)
(Jun 28, 2006)

Official Text: <https://www.congress.gov/bill/109th-congress/senate-bill/3593>

Sponsor

Name: Sen. Kennedy, Edward M. [D-MA]

Party: Democratic • State: MA • Chamber: Senate

Cosponsors (7 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Clinton, Hillary Rodham [D-NY]	D · NY		Jun 28, 2006
Sen. Dodd, Christopher J. [D-CT]	D · CT		Jun 28, 2006
Sen. Harkin, Tom [D-IA]	D · IA		Jun 28, 2006
Sen. Lieberman, Joseph I. [D-CT]	D · CT		Jun 28, 2006
Sen. Mikulski, Barbara A. [D-MD]	D · MD		Jun 28, 2006
Sen. Schumer, Charles E. [D-NY]	D · NY		Jun 28, 2006
Sen. Durbin, Richard J. [D-IL]	D · IL		Jun 29, 2006

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jun 28, 2006

Subjects & Policy Tags

Policy Area:

Education

Related Bills

No related bills are listed.

Student Debt Relief Act of 2006 - Amends the Higher Education Act of 1965 to increase yearly maximum Pell grant amounts. Authorizes and appropriates specified additional annual funding for such grants if discretionary appropriations for such year are sufficient to fund a specified maximum Pell grant award of \$4,050.

Requires the Secretary of Education to provide institutions of higher education Student Aid Reward Payments for participating in the Federal Family Education Loan (FFEL) or Direct Loan (DL) program most cost-effective for taxpayers.

Cuts interest rates under the FFEL and DL programs. Allows students to consolidate loans under the FFEL program while still in school. Reduces DL origination fees. Eliminates exceptional performer status for lenders, servicers, and guaranty agencies, which rewards such entities for high due diligence in FFEL collection. Imposes certain requirements regarding federal fund supplementation and lender trustees on schools which act as FFEL lenders. Sets limits on funds available for administrative expenses under the FFEL and DL programs for FY2007-FY2012.

Directs the Secretary to forgive the balance due on DLs and direct consolidation loans by individuals who have been public sector employees for 10 years and have made 120 income contingent payments on such loans.

Defers FFEL principal and Perkins loan principal and interest repayments when borrowers are suffering economic hardship, redefined to include borrowers whose full-time earnings do not exceed 150% of the poverty line. Defers student loan repayments to the extent they would exceed 15% of the amount a borrower's adjusted gross income exceeds the poverty line. Includes such deferral periods in calculating the maximum period an income contingent repayment plan may be in effect for a non-defaulting borrower.

Increases consolidation loan lender fees.

Amends the Internal Revenue Code of 1986 to increase the deduction for higher education expenses and make it permanent. Establishes a tax credit for student loan interest payments.

Actions Timeline

- **Jun 28, 2006:** Introduced in Senate
- **Jun 28, 2006:** Sponsor introductory remarks on measure. (CR S6643-6644)
- **Jun 28, 2006:** Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S6644-6647)