

S 359

Student Debt Relief Act of 2007

Congress: 110 (2007–2009, Ended)

Chamber: Senate

Policy Area: Education

Introduced: Jan 22, 2007

Current Status: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S848-851)

Latest Action: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S848-851) (Jan 22, 2007)

Official Text: <https://www.congress.gov/bill/110th-congress/senate-bill/359>

Sponsor

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

Party: Democratic • **State:** MA • **Chamber:** Senate

Cosponsors (9 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Durbin, Richard J. [D-IL]	D · IL		Jan 22, 2007
Sen. Lieberman, Joseph I. [ID-CT]	ID · CT		Jan 22, 2007
Sen. Mikulski, Barbara A. [D-MD]	D · MD		Jan 22, 2007
Sen. Obama, Barack [D-IL]	D · IL		Jan 22, 2007
Sen. Schumer, Charles E. [D-NY]	D · NY		Jan 22, 2007
Sen. Levin, Carl [D-MI]	D · MI		Feb 1, 2007
Sen. Stabenow, Debbie [D-MI]	D · MI		Mar 7, 2007
Sen. Smith, Gordon H. [R-OR]	R · OR		Mar 20, 2007
Sen. Clinton, Hillary Rodham [D-NY]	D · NY		Apr 17, 2007

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jan 23, 2007

Subjects & Policy Tags

Policy Area:

Education

Related Bills

No related bills are listed.

Student Debt Relief Act of 2007 - Amends the Higher Education Act of 1965 to extend the Pell Grant program through FY2012 and increase yearly maximum Pell grant amounts. Authorizes and appropriates specified additional annual funding for such grants.

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.

Phases-in cuts to the interest rates charged undergraduate student borrowers under the FFEL and DL programs, thereby reducing such rate from 6.8% in July 2006 to 3.4% in July 2011.

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.

Caps FFEL and DL repayments by student borrowers at no more than 15% of the amount a borrower's adjusted gross income exceeds 150% of the poverty line. Requires the Secretary to cancel or repay such loans after 25 years.

Eliminates the three-year limit on the deferral of FFELs, DLs, and Perkins loans when borrowers are suffering economic hardship, redefined to include borrowers whose full-time earnings do not exceed 150% of the poverty line. Includes such deferral periods, as well as the months a borrower's FFEL or DL payments are capped, in calculating the maximum period an income contingent repayment plan may be in effect for a non-defaulting borrower.

Allows students to consolidate loans under the FFEL program while still in school. Reduces DL origination fees. Sets limits on funds available for administrative expenses under the FFEL and DL programs for FY2007-FY2012.

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

Actions Timeline

- **Jan 22, 2007:** Introduced in Senate
- **Jan 22, 2007:** Sponsor introductory remarks on measure. (CR S847-848)
- **Jan 22, 2007:** Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S848-851)