

## S 2230

### Investing in Student Success Act of 2014

**Congress:** 113 (2013–2015, Ended)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** Apr 9, 2014

**Current Status:** Read twice and referred to the Committee on Finance.

**Latest Action:** Read twice and referred to the Committee on Finance. (Apr 9, 2014)

**Official Text:** <https://www.congress.gov/bill/113th-congress/senate-bill/2230>

## Sponsor

**Name:** Sen. Rubio, Marco [R-FL]

**Party:** Republican • **State:** FL • **Chamber:** Senate

## Cosponsors

No cosponsors are listed for this bill.

## Committee Activity

| Committee         | Chamber | Activity    | Date        |
|-------------------|---------|-------------|-------------|
| Finance Committee | Senate  | Referred To | Apr 9, 2014 |

## Subjects & Policy Tags

### Policy Area:

Taxation

## Related Bills

| Bill        | Relationship   | Last Action  |
|-------------|----------------|--|
| 113 HR 4436 | Identical bill | Jun 13, 2014: Referred to the Subcommittee on Higher Education and Workforce Training. |

Investing in Student Success Act of 2014 - Declares that income share agreements that meet this Act's requirements are valid, binding, and enforceable contracts that are not subject to state usury laws or state laws regulating assignments of future income.

Defines an "income share agreement" as an agreement between an individual and any other person under which the individual commits to pay a specified percentage of the individual's future income, for a specified period of time, in exchange for payments to or on behalf of such individual for postsecondary education, workforce development, or other purposes.

Requires such an agreement to:

- specify the percentage of future income the individual will be obligated to pay, but it must exempt, at a minimum, the first \$10,000 (adjusted annually for inflation) of income each year;
- specify what will be considered the individual's income;
- prevent the individual from obligating more than 15% of the individual's future income toward such agreement;
- specify the maximum period that an individual will be obligated to make payments, not to exceed 360 months (excluding any period during which an individual's income was below the agreement's exempt amount); and
- specify the terms and conditions for early termination of an individual's payment period.

Requires individuals, before entering into such an agreement, to be provided with a document that clearly and simply discloses: (1) the terms of the agreement, (2) that the agreement is not a debt instrument, (3) that such individual may be required to pay more or less than the amount received, and (4) that an individual's obligations under the agreement are not dischargeable in bankruptcy.

Prohibits such agreements from being construed as giving the contract holder any rights over an individual's actions.

Excludes payments that are made under an income share agreement from the individual's gross income for tax purposes.

Amends the Internal Revenue Code to include income share agreements as qualified education loans, but denies the deduction for interest paid on such loans.

Prohibits amounts individuals receive for entering into an income share agreement from being included as income or assets in the computation of the expected family contribution for any program funded under the Higher Education Act of 1965.

Amends the Investment Company Act of 1940 to exclude any person from being treated as an investment company if substantially all of that person's business is confined to making income share agreements.

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## **Actions Timeline**

- **Apr 9, 2014:** Introduced in Senate
- **Apr 9, 2014:** Read twice and referred to the Committee on Finance.