

S 2812

Repay Act of 2014

Congress: 113 (2013–2015, Ended)

Chamber: Senate

Policy Area: Education

Introduced: Sep 16, 2014

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

Latest Action: Read twice and referred to the Committee on Finance. (Sep 16, 2014)

Official Text: <https://www.congress.gov/bill/113th-congress/senate-bill/2812>

Sponsor

Name: Sen. King, Angus S., Jr. [I-ME]

Party: Independent • **State:** ME • **Chamber:** Senate

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Burr, Richard [R-NC]	R · NC		Sep 16, 2014
Sen. Collins, Susan M. [R-ME]	R · ME		Nov 13, 2014

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Sep 16, 2014

Subjects & Policy Tags

Policy Area:

Education

Related Bills

No related bills are listed.

Repay Act of 2014 - Amends title IV (Student Assistance) of the Higher Education Act of 1965 to direct the Secretary of Education to carry out a simplified income-driven repayment program for students who become new borrowers of William D. Ford Federal Direct Loans (DLs) on or after July 1, 2015.

Sets a student's annual repayment obligation under the program at:

- 10% of the borrower's discretionary income (gross income that exceeds 150% of the federal poverty level) that is less than \$25,000, adjusted for inflation; plus
- 15% of the borrower's discretionary income that is equal to or greater than \$25,000, adjusted for inflation.

Directs the Secretary to cancel the outstanding balance on a DL under the repayment program if the borrower:

- for 20 years made monthly payments under the program or was in deferment due to economic hardship and had a DL principal balance at the outset of the repayment period that did not exceed a specified amount; or
- for 25 years made monthly payments under the program or was in deferment due to economic hardship and had a DL principal balance at the outset of the repayment period that exceeded a specified amount.

Requires the Secretary to offer borrowers of DLs made on or after July 1, 2015, the following repayment plans: (1) a fixed repayment plan (currently referred to as a standard repayment plan), or (2) a simplified income-driven repayment plan, but this plan is only available to student borrowers. Authorizes the Secretary to provide an alternative repayment plan to a borrower of a DL made on or after July 1, 2015, if the borrower demonstrates that these repayment options do not accommodate the borrower's exceptional circumstances.

Continues to allow borrowers of DLs to accelerate, without penalty, their repayment of such loans.

Makes public service employees who make 120 monthly payments on their DL under a simplified income-driven repayment plan eligible for the public service employee loan forgiveness program.

Amends the Internal Revenue Code to exclude from gross income debt the Secretary discharges on a borrower's subsidized Federal Family Education Loan (FFEL) due to the borrower's death or disability.

Directs the Secretary to require servicers of FFELs and DLs to: (1) provide borrowers with information regarding their loan repayment options, and (2) offer to enroll borrowers in alternative plans for which they are eligible.

Actions Timeline

- **Sep 16, 2014:** Introduced in Senate
- **Sep 16, 2014:** Read twice and referred to the Committee on Finance.