

HR 4436

Investing in Student Success Act of 2014

Congress: 113 (2013–2015, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Apr 9, 2014

Current Status: Referred to the Subcommittee on Higher Education and Workforce Training.

Latest Action: Referred to the Subcommittee on Higher Education and Workforce Training. (Jun 13, 2014)

Official Text: <https://www.congress.gov/bill/113th-congress/house-bill/4436>

Sponsor

Name: Rep. Petri, Thomas E. [R-WI-6]

Party: Republican • **State:** WI • **Chamber:** House

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Bucshon, Larry [R-IN-8]	R · IN		May 8, 2014
Rep. Cotton, Tom [R-AR-4]	R · AR		May 29, 2014

Committee Activity

Committee	Chamber	Activity	Date
Education and Workforce Committee	House	Referred to	Jun 13, 2014
Financial Services Committee	House	Referred To	Apr 9, 2014
Ways and Means Committee	House	Referred To	Apr 9, 2014

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
113 S 2230	Identical bill	Apr 9, 2014: Read twice and referred to the Committee on Finance.

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.

Actions Timeline

- **Jun 13, 2014:** Referred to the Subcommittee on Higher Education and Workforce Training.
- **Apr 9, 2014:** Introduced in House
- **Apr 9, 2014:** Sponsor introductory remarks on measure. (CR E558)
- **Apr 9, 2014:** Referred to the Committee on Ways and Means, and in addition to the Committees on Education and the Workforce, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.