

HR 1131

Fairness in Student Loan Lending Act

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Education

Introduced: Feb 26, 2015

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

Latest Action: Referred to the Subcommittee on Higher Education and Workforce Training. (Apr 29, 2015)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/1131>

Sponsor

Name: Rep. McDermott, Jim [D-WA-7]

Party: Democratic • **State:** WA • **Chamber:** House

Cosponsors (17 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Brown, Corrine [D-FL-5]	D · FL		Mar 16, 2015
Rep. DeFazio, Peter A. [D-OR-4]	D · OR		Mar 16, 2015
Rep. Napolitano, Grace F. [D-CA-32]	D · CA		Mar 16, 2015
Rep. Nolan, Richard M. [D-MN-8]	D · MN		Mar 16, 2015
Rep. Rangel, Charles B. [D-NY-13]	D · NY		Mar 16, 2015
Rep. Speier, Jackie [D-CA-14]	D · CA		Mar 16, 2015
Rep. Welch, Peter [D-VT-At Large]	D · VT		Mar 16, 2015
Rep. Cartwright, Matt [D-PA-17]	D · PA		Mar 18, 2015
Rep. Conyers, John, Jr. [D-MI-13]	D · MI		Mar 18, 2015
Rep. Chu, Judy [D-CA-27]	D · CA		Mar 23, 2015
Rep. DeLauro, Rosa L. [D-CT-3]	D · CT		Mar 23, 2015
Rep. Jackson Lee, Sheila [D-TX-18]	D · TX		Mar 23, 2015
Rep. Doggett, Lloyd [D-TX-35]	D · TX		Apr 13, 2015
Rep. Farr, Sam [D-CA-20]	D · CA		Apr 13, 2015
Rep. DeSaulnier, Mark [D-CA-11]	D · CA		Apr 15, 2015
Rep. Slaughter, Louise McIntosh [D-NY-25]	D · NY		Apr 28, 2015
Rep. Matsui, Doris O. [D-CA-6]	D · CA		May 12, 2015

Committee Activity

Committee	Chamber	Activity	Date
Education and Workforce Committee	House	Referred to	Apr 29, 2015
Judiciary Committee	House	Referred to	Mar 31, 2015
Ways and Means Committee	House	Referred To	Feb 26, 2015

Subjects & Policy Tags

Policy Area:

Education

Related Bills

Bill	Relationship	Last Action
114 S 729	Related bill	Mar 12, 2015: Read twice and referred to the Committee on the Judiciary. (text of measure as introduced: CR S1497)

Fairness in Student Loan Lending Act

Amends title IV (Student Assistance) of the Higher Education Act of 1965 to direct the Secretary of Education to establish a program to refinance the unpaid principal, accrued unpaid interest, and late charges on: (1) the William D. Ford Federal Direct Loans (DLs) of qualified borrowers if the DLs were first disbursed, or the application for their reissuance was received, before July 1, 2015, and (2) the Federal Family Education Loans (FFEL) of qualified borrowers as DLs. (FFELs were not disbursed after June 30, 2010.)

Refinances the FFELs as Federal Direct Stafford, Unsubsidized Stafford, PLUS, or Consolidated Loans depending on the categorization of the FFEL as a Stafford, Unsubsidized Stafford, PLUS, or Consolidated Loan.

Sets the interest rate on the refinanced loans at the rate on high-yield 10-year Treasury notes plus 1%.

Fixes the interest rate on such loans for the period of such loans.

Directs the Secretary to establish eligibility requirements based on a borrower's income or debt-to-income ratio that take into consideration providing access to refinancing for borrowers with the greatest financial need.

Imposes an administrative fee on the borrowers of such reissued loans that is based on the unpaid principal, and accrued unpaid interest and late charges, of their original loan.

Requires the Secretary to establish a program to refinance the unpaid principal, accrued unpaid interest, and late charges on private education loans as Federal Direct Refinanced Private Loans if the private education loans were first disbursed to qualified borrowers before July 1, 2015, and were for their own postsecondary educational expenses.

Sets the interest rate on Federal Direct Refinanced Private Loans at the rate on high-yield 10-year Treasury notes plus 1%.

Fixes the interest rate on such loans for the period of such loans.

Directs the Secretary to establish eligibility requirements based on a borrower's income or debt-to-income ratio that take into consideration providing access to refinancing for borrowers with the greatest financial need.

Requires qualified borrowers of such loans to undergo loan counseling before their private education loan is refinanced.

Imposes an origination fee on the borrowers of Federal Direct Refinanced Private Loans.

Amends the Internal Revenue Code to require an individual taxpayer whose adjusted gross income exceeds \$1 million to pay a minimum tax rate of 30% of the excess of the taxpayer's adjusted gross income over the taxpayer's modified charitable contribution deduction for the taxable year (tentative fair share tax). Establishes the amount of such tax as the excess (if any) of the tentative fair share tax over the excess of: (1) the sum of the taxpayer's regular tax liability, the alternative minimum tax (AMT) amount, and the payroll tax for the taxable year; over (2) certain tax credits. Provides for a phase-in of such tax. Requires an inflation adjustment to the \$1 million income threshold for taxable years beginning after 2016.

Requires the Secretary to terminate this Act's refinancing programs when the net cost of carrying out the programs is equal to the Secretary's estimate of the amount of additional revenue generated during the 10-year period beginning on

the date of this Act's enactment due to the fair share tax.

Revises federal bankruptcy law to limit the hardship exception to the exemption of educational debts from discharge in bankruptcy to: (1) an educational benefit overpayment or loan made, insured, or guaranteed by a governmental unit or made under any program funded in whole or in part by a governmental unit; or (2) an obligation to repay funds received from a governmental unit as an educational benefit, scholarship, or stipend.

Actions Timeline

- **Apr 29, 2015:** Referred to the Subcommittee on Higher Education and Workforce Training.
- **Mar 31, 2015:** Referred to the Subcommittee on Regulatory Reform, Commercial And Antitrust Law.
- **Feb 26, 2015:** Introduced in House
- **Feb 26, 2015:** Sponsor introductory remarks on measure. (CR E259)
- **Feb 26, 2015:** Referred to the Committee on Education and the Workforce, and in addition to the Committees on Ways and Means, and the Judiciary, 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.