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AFFORD Act

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Education

Introduced: Aug 5, 2015

Current Status: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

Latest Action: Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (Aug 5, 2015)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/1948>

Sponsor

Name: Sen. Merkley, Jeff [D-OR]

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

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Wyden, Ron [D-OR]	D · OR		Aug 6, 2015

Committee Activity

Committee	Chamber	Activity	Date
Health, Education, Labor, and Pensions Committee	Senate	Referred To	Aug 5, 2015

Subjects & Policy Tags

Policy Area:

Education

Related Bills

No related bills are listed.

Access to Fair Financial Options for Repaying Debt Act of 2015 or the AFFORD Act

This bill terminates existing federal student loan repayment plan options for borrowers of federal Direct Loan (DL) program loans issued on or after July 1, 2016.

It amends title IV (Student Assistance) of the Higher Education Act of 1965 to establish two new repayment plan options.

First, the bill creates a new version of the income-based repayment (IBR) plan that includes capping monthly payments at 10% of discretionary income, setting a 20-year maximum repayment period, broadening eligible borrowers to include borrowers without a partial financial hardship, and expanding qualifying loans to include parent PLUS loans and consolidation loans that repay parent PLUS loans.

Second, it establishes a fixed repayment plan in which an enrolled borrower makes fixed monthly payments over a maximum repayment period of 10, 15, 20, or 25 years depending on the total federal loan balance at repayment.

A borrower of a DL program loan issued on or after July 1, 2016, must enroll in the new IBR or fixed repayment plan. A borrower repaying a DL or Federal Family Education Loan program loan issued before July 1, 2016, may retain enrollment in the existing repayment plan or elect to enroll in the new IBR or fixed repayment plan.

This bill requires an institution of higher education that participates in federal student aid programs to: (1) provide, as part of entrance counseling, information on the new IBR and fixed repayment plan options; (2) offer voluntary annual loan counseling to each enrolled student who is known to have one or more student loans; and (3) explain, during exit counseling, a borrower's options to prepay a loan, accelerate a payment schedule, and change a repayment plan.

Actions Timeline

- **Aug 5, 2015:** Introduced in Senate
- **Aug 5, 2015:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.