

## HR 4256

Simple Income-Based Repayment Act

**Congress:** 114 (2015–2017, Ended)

**Chamber:** House

**Policy Area:** Education

**Introduced:** Dec 15, 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. (Mar 23, 2016)

**Official Text:** <https://www.congress.gov/bill/114th-congress/house-bill/4256>

### Sponsor

**Name:** Rep. Murphy, Patrick [D-FL-18]

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

### Cosponsors

*No cosponsors are listed for this bill.*

### Committee Activity

Committee	Chamber	Activity	Date
Education and Workforce Committee	House	Referred to	Mar 23, 2016
Ways and Means Committee	House	Referred To	Dec 15, 2015

### Subjects & Policy Tags

**Policy Area:**

Education

### Related Bills

*No related bills are listed.*

## Simple Income-Based Repayment Act

This bill amends the Higher Education Act of 1965 to replace several existing federal student loan programs for graduated, extended, income-contingent, and income-based repayment with a single repayment plan that caps annual debt repayments based on the borrower's income. Under the new program, loan payments are made automatically through voluntary wage withholding based on quarterly estimated payments.

The new income-based repayment program shall be available to both new and existing borrowers, excluding borrowers of specified federal loans made on behalf of a dependent student. Existing repayment plans other than standard repayment shall generally be unavailable to new borrowers, although the Department of Education (ED) may make graduated and extended plans available to new borrowers who demonstrate exceptional circumstances.

Under the program, an individual's income-based repayment obligation shall be limited to 10% of the excess of the individual's taxable income over a specified amount. In the case of a joint return of two married individuals who each have an eligible loan, the income-based repayment amount with respect to each spouse shall generally be determined by apportioning half of the total income to each spouse.

ED must provide an online tool to enable borrowers to make direct payments and access information regarding their loans.

In the event of underpayment, a borrower who does not request and receive a reduction must pay to ED an amount equal to the difference between the annual repayment amount and the sum of payments made for that taxable year. In the event of overpayment, ED shall either refund the overpayment amount to the borrower or apply the amount as prepayment to the borrower's loans.

Loan forgiveness is available after 240 qualifying payments are made under the program.

## Actions Timeline

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- **Mar 23, 2016:** Referred to the Subcommittee on Higher Education and Workforce Training.
- **Dec 15, 2015:** Introduced in House
- **Dec 15, 2015:** Referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, 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.