

S 2235

Student Loan Debt Relief Act of 2019

Congress: 116 (2019–2021, Ended)

Chamber: Senate

Policy Area: Education

Introduced: Jul 23, 2019

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

Latest Action: Read twice and referred to the Committee on Finance. (Jul 23, 2019)

Official Text: <https://www.congress.gov/bill/116th-congress/senate-bill/2235>

Sponsor

Name: Sen. Warren, Elizabeth [D-MA]

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

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Markey, Edward J. [D-MA]	D · MA		Jun 1, 2020
Sen. Brown, Sherrod [D-OH]	D · OH		Jun 17, 2020

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jul 23, 2019

Subjects & Policy Tags

Policy Area:

Education

Related Bills

Bill	Relationship	Last Action
116 HR 3887	Identical bill	Aug 12, 2019: Referred to the Subcommittee on Antitrust, Commercial, and Administrative Law.

Student Loan Debt Relief Act of 2019

This bill establishes programs to cancel certain student loan debt and refinance student loans.

First, the bill requires the Department of Education (ED) to automatically discharge (i.e., repay or cancel) up to \$50,000 of outstanding student loan debt for each qualified borrower. Borrowers with an adjusted gross income of \$100,000 or less, based on the most recent tax year, may receive the maximum loan cancellation. Borrowers with an adjusted gross income above \$100,000 may receive partial loan cancellation. Members of Congress are not eligible to receive loan cancellation.

Further, the bill outlines the method of loan discharge, and excludes loan cancellation from taxable income. It also requires ED to automatically place each federal student loan borrower in administrative forbearance for the one-year period in which ED carries out the cancellation of student loans. During this period, payments are not due, interest does not accrue, and ED may not pursue debt collection activities (e.g., wage garnishments).

Next, the bill requires ED to carry out student loan refinancing programs for those student loans that exist after the loan cancellation period. Specifically, it directs ED to automatically refinance federal student loans at the lower interest rates offered to new federal borrowers in the 2016-2017 school year. It also allows borrowers to convert their private student loans to federal student loans, thereby allowing such borrowers to qualify for loan cancellation.

It also makes student loans dischargeable in bankruptcy proceedings.

Finally, the bill specifies notification requirements.

Actions Timeline

- **Jul 23, 2019:** Introduced in Senate
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