To amend the Higher Education Act of 1965 to provide for a percentage of student loan forgiveness for public service employment, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. BLUMENTHAL (for himself, Mr. UDALL, Mr. BOOKER, Ms. WARREN, Ms. SMITH, Mr. CARDIN, Mr. MARKEY, Mrs. FEINSTEIN, Ms. HIRONO, and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on ________

A BILL

To amend the Higher Education Act of 1965 to provide for a percentage of student loan forgiveness for public service employment, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Strengthening Loan Forgiveness for Public Servants During the COVID-19 Crisis Act”.

SEC. 2. SENSE OF THE SENATE.

It is the sense of the Senate that—
(1) the novel coronavirus of 2019 (COVID–19) is imposing a burden on many individuals, including doctors, nurses, and teachers, who are participating in the public service loan forgiveness program under section 455(m) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)); and

(2) restructuring the loan forgiveness provided through such program and accommodating disruptions that might occur due to the impact of the novel coronavirus of 2019 (COVID–19) are necessary.

SEC. 3. PUBLIC SERVICE LOAN FORGIVENESS PROGRAM.

(a) In General.—Section 455(m) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)) is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by inserting “, except as provided in paragraph (5),” after “on any eligible Federal Direct Loan not in default”; and

(2) by adding at the end the following:

“(5) Loan Cancellation for New Loans.—

“(A) In General.—Beginning after the date of enactment of the Strengthening Loan Forgiveness for Public Servants During the COVID-19 Crisis Act, after the conclusion of each employment period in a public service job,
as described in subparagraph (B), the Secretary shall cancel the percent specified in such sub-
paragraph of the total amount due on any eligi-
ble Federal Direct Loan made after the date of enactment of the Strengthening Loan Forgiveness for Public Servants During the COVID-19 Crisis Act for a borrower who is employed in such public service job and submits an employ-
ment certification form described in subpara-
graph (C).

“(B) PERCENT AMOUNT.—The percent of a loan that shall be canceled under subpara-
graph (A) is as follows:

“(i) In the case of a borrower who completes 2 years of employment in a pub-
lic service job, 15 percent of the total amount due on the eligible Federal Direct Loan on the date the borrower commenced employment in such public service job.

“(ii) In the case of a borrower who completes 4 years of employment in a pub-
lic service job, 15 percent of the total amount due on the eligible Federal Direct Loan on the date the borrower commenced employment in such public service job.
“(iii) In the case of a borrower who completes 6 years of employment in a public service job, 20 percent of the total amount due on the eligible Federal Direct Loan on the date the borrower commenced employment in such public service job.

“(iv) In the case of a borrower who completes 8 years of employment in a public service job, 20 percent of the total amount due on the eligible Federal Direct Loan on the date the borrower commenced employment in such public service job.

“(v) In the case of a borrower who completes 10 years of employment in a public service job, 30 percent of the total amount due on the eligible Federal Direct Loan on the date the borrower commenced employment in such public service job.

“(C) EMPLOYMENT CERTIFICATION FORM.—

“(i) IN GENERAL.—In order to receive loan cancellation under this paragraph, a borrower shall submit to the Secretary an employment certification form that is developed by the Secretary and includes self-
certification of employment and a separate part for employer certification that indicates the dates of employment.

“(ii) DEFERMENT.—If a borrower submits to the Secretary the employment certification form described in clause (i), during the period in which the borrower is employed in a public service job for which loan cancellation is eligible under this paragraph, the borrower’s eligible Federal Direct Loan shall be placed in deferment.

“(D) INTEREST CANCELED.—If a portion of a loan is canceled under this paragraph for any year, the entire amount of interest on such loan that accrues for such year shall be canceled.”.

(b) SPECIAL RULE FOR COVID-19 EMPLOYMENT DISRUPTIONS.—

(1) DEFINITIONS.—In this subsection:

(A) EMPLOYMENT DISRUPTION.—The term “employment disruption” means a lapse in an individual’s employment that is related to the novel coronavirus disease of 2019 (COVID–19), such as a furlough or reduction in force by the
employer or the individual’s resignation due to illness or family caregiving responsibilities.

(B) **Public Service Job.**—The term “public service job” has the meaning given the term in section 455(m)(3) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)(3)).

(C) **Qualifying Emergency.**—The term “qualifying emergency” has the meaning given the term in section 3502 of division A of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116–136).

(D) **Qualifying Individual.**—The term “qualifying individual” means an individual who—

(i) has a loan that qualifies for public service loan forgiveness under section 455(m) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)); and

(ii) during the qualifying emergency period—

(I) was employed in a public service job; and

(II) experiences an employment disruption with respect to the public
service job and no longer is employed in a public service job.

(2) IN GENERAL.—Subject to paragraph (3), in administering the public service loan forgiveness program under section 455(m) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)) with respect to periods of employment and payments due during the qualifying emergency—

(A) each qualifying individual shall be deemed an individual employed in a public service job during the period of the qualifying emergency for purposes of such program; and

(B) any monthly payment made by a qualifying individual during the qualifying emergency (including a payment deemed made under section 3513(e) of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116–136)) shall be deemed to be a monthly payment made by an individual employed in a public service job for purposes of such program.

(3) SPECIAL RULE.—Paragraph (2) shall only apply to a qualifying individual who resumes employment in any public service job by the date that is 6 months after the last day of the qualifying emergency, except that any qualifying individual who, as
a result of the application of paragraph (2), would
have completed the requirements for full or partial
loan cancellation under paragraph (2) or (5) of sec-
tion 455(m) of the Higher Education Act of 1965
(as amended by this Act) during the qualifying
emergency, shall receive such loan cancellation with-
out any required resumption of public service job
employment.

(4) GUIDANCE.—Not later than 30 days after
the date of enactment of this Act, the Secretary of
Education shall develop and make available guidance
for qualifying individuals regarding the assistance
available under this subsection.