

117TH CONGRESS
1ST SESSION

H. R. 2034

To direct the Secretary of Education to forgive the Federal student loans of borrowers meeting certain income requirements, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 2021

Mr. LAWSON of Florida introduced the following bill; which was referred to the Committee on Education and Labor, 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

A BILL

To direct the Secretary of Education to forgive the Federal student loans of borrowers meeting certain income requirements, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Income-Driven Student
5 Loan Forgiveness Act”.

1 **SEC. 2. FEDERAL STUDENT LOAN FORGIVENESS FOR BOR-**
2 **ROWERS MEETING CERTAIN INCOME RE-**
3 **QUIREMENTS.**

4 (a) **FORGIVENESS REQUIRED.**—Notwithstanding any
5 other provision of law, the Secretary of Education shall
6 forgive the outstanding balance of principal, interest, and
7 fees due on the eligible Federal student loans of borrowers
8 who meet the requirements of subsection (b).

9 (b) **ELIGIBILITY.**—

10 (1) **IN GENERAL.**—A borrower is eligible to re-
11 ceive forgiveness under this section if, at the time of
12 application for forgiveness, such borrower—

13 (A) has an eligible Federal student loan in
14 repayment;

15 (B) filed a Federal income tax return for
16 the most recently ended tax year;

17 (C)(i) is employed; or

18 (ii) if not employed, was employed during
19 the period of three years immediately preceding
20 March 1, 2020; and

21 (D) meets the income requirements speci-
22 fied in paragraph (2).

23 (2) **INCOME REQUIREMENTS.**—The income re-
24 quirements specified in this subsection are the fol-
25 lowing:

1 (A) In the case of borrower who is not
2 married, the adjusted gross income of the bor-
3 rower does not exceed \$100,000.

4 (B) In the case of a borrower who is mar-
5 ried and files a Federal income tax return joint-
6 ly with the borrower's spouse, the adjusted
7 gross income of the borrower and the bor-
8 rower's spouse does not exceed \$200,000.

9 (C) In the case of a borrower who is mar-
10 ried and files a Federal income tax return sepa-
11 rately from the borrower's spouse, the adjusted
12 gross income of the borrower does not exceed
13 \$100,000. The income of a borrower's spouse
14 shall not be considered in making the deter-
15 mination under this subparagraph.

16 (3) RETURN INFORMATION.—The determina-
17 tions under paragraph (2) shall be based on the
18 Federal income tax return filed by the borrower for
19 the most recent tax year ending before the date of
20 the borrower's application for forgiveness under this
21 section.

22 (c) METHOD OF LOAN FORGIVENESS.—As soon as
23 practicable after the Secretary of Education confirms that
24 an applicant meets the requirements of subsection (b), the
25 Secretary of Education shall—

1 (1) for each eligible Federal student loan of the
2 borrower that is held by the Department of Edu-
3 cation, cancel the outstanding balance of principal,
4 interest, and fees due on the loan; and

5 (2) for each eligible Federal student loan of the
6 borrower that is not held by the Department of Edu-
7 cation—

8 (A) through the holder of a loan, assume
9 the obligation to repay the outstanding balance
10 of principal, interest, and fees due on the loan;
11 and

12 (B) upon assuming such obligation, cancel
13 the outstanding balance of such principal, inter-
14 est, and fees.

15 (d) APPLICATION.—To be eligible to receive forgive-
16 ness under this section a borrower shall submit to the Sec-
17 retary of Education an application at such time, in such
18 manner, and containing such information as the Secretary
19 may require.

20 (e) REPAYMENT REFUNDS PROHIBITED.—Nothing
21 in this section shall be construed to authorize the refund
22 of any payments made by a borrower on an eligible Fed-
23 eral student before the date on which the borrower's loans
24 are forgiven in accordance with this section.

1 (f) EXCLUSION FROM TAXABLE INCOME.—The
2 amount of a borrower’s eligible Federal student loans for-
3 given under this section shall not be included in the gross
4 income of the borrower for purposes of the Internal Rev-
5 enue Code of 1986.

6 (g) DETERMINATION OF INELIGIBILITY.—If the Sec-
7 retary of Education denies a borrower’s application for
8 forgiveness under this section, the Secretary shall notify
9 the borrower that the borrower’s application was denied
10 and indicate the specific reasons for such denial.

11 **SEC. 3. NOTICE TO THE PUBLIC.**

12 Not later than 15 days after the date of enactment
13 of this Act, the Secretary of Education, in consultation
14 with institutions of higher education and lenders and hold-
15 ers of Federal student loans, shall take such actions as
16 may be necessary to ensure that borrowers who have out-
17 standing eligible Federal student loans are aware of the
18 loan forgiveness program authorized by this Act. Such in-
19 formation shall—

20 (1) be presented in a form that is widely avail-
21 able to the public, especially to borrowers with eligi-
22 ble Federal student loans;

23 (2) be easily understandable; and

24 (3) clearly notify borrowers that to be consid-
25 ered for loan forgiveness under this Act, borrowers

1 must submit an application to the Secretary of Edu-
2 cation.

3 **SEC. 4. DEFINITIONS.**

4 In this Act:

5 (1) **ADJUSTED GROSS INCOME.**—The term “ad-
6 justed gross income” has the meaning given that
7 term in section 62 of the Internal Revenue Code of
8 1986 (26 U.S.C. 62).

9 (2) **ELIGIBLE FEDERAL STUDENT LOAN.**—The
10 term “eligible Federal student loan” means a loan—

11 (A) received by a borrower before the date
12 of enactment of this Act;

13 (B) used to pay for—

14 (i) the undergraduate education of the
15 borrower; or

16 (ii) in the case of a loan made to a
17 parent on behalf a dependent student, the
18 undergraduate education of such depend-
19 ent student; and

20 (C) made, insured, or guaranteed under—

21 (i) part B, part D, or part E of title
22 IV of the Higher Education Act of 1965
23 (20 U.S.C. 1070 et seq.), including a con-
24 solidation loan (to the extent that such

1 consolidation loan was used to repay loans
2 for undergraduate education); or

3 (ii) part E of title VIII of the Public
4 Health Service Act.

5 (3) FEES.—The term “fees” means any
6 amounts owed by a borrower, other than principal
7 and interest, on an eligible Federal student loan, in-
8 cluding the amounts of any outstanding administra-
9 tive fees, late charges, and collection costs.

10 (4) INSTITUTION OF HIGHER EDUCATION.—The
11 term “institution of higher education” has the
12 meaning given that term in section 102 of the High-
13 er Education Act of 1965 (20 U.S.C. 1002).

14 (5) UNDERGRADUATE EDUCATION.—The term
15 “undergraduate education” means a postsecondary
16 program of study at an institution of higher edu-
17 cation that leads to an associate or baccalaureate de-
18 gree.

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