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117TH CONGRESS
1ST SESSION

H. R. 5523

To help Americans pay down student loan debt or pay for education or training to develop or improve workforce skills.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2021

Mr. LAMB introduced the following bill; which was referred to the Committee on Education and Labor

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A BILL

To help Americans pay down student loan debt or pay for education or training to develop or improve workforce skills.

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 ''Pay Down, Upskill Act of 2021''.

SEC. 2. PAY DOWN OR UPSKILL EDUCATION BENEFIT PROGRAM.

(a) PROGRAM ESTABLISHED.—

(1) IN GENERAL.—The Secretary of Education shall carry out a program, known as the ''Pay Down

or Upskill Education Benefit Program'', to provide to each eligible individual, upon application and approval, an education benefit to—

(A) repay all or part of the qualifying student loans of the eligible individual, in accordance with subsection (b); or

(B) pay all or part of the qualified educational expenses of the eligible individual, in accordance with subsection (c).

(2) ELIGIBLE INDIVIDUAL.—An individual shall be an ''eligible individual'' for purposes of this Act if the individual—

(A) is not younger than 18 years of age and not older than 65 years of age on the date that the individual applies for an education benefit under this Act; and

(B) received any credit or refund allowed or made to the individual by reason of section 6428B of the Internal Revenue Code of 1986 (as added by section 9601 of the American Rescue Plan Act of 2021 (Public Law 117–2)).

(3) EDUCATION BENEFIT AMOUNT.—The amount of an education benefit provided to an eligible individual in accordance with this Act shall be—

(A) the amount of the qualified student loans of the individual; or

(B) the amount of the qualified educational expenses of the individual,

except that the maximum amount of the total education benefit provided to an eligible individual shall not exceed $10,000.

(4) NOTICE TO THE PUBLIC.—Not later than 6 months after the date of enactment of this Act, the Secretary shall publicly announce the program established under this Act, including by posting information about such program on the website of the Department of Education. The Secretary shall update and maintain such information as may be necessary.

(5) DEADLINE FOR APPLICATIONS.—To be considered for an education benefit under this section, an eligible individual shall submit an application in accordance with this section before the date that is 5 years after the date of the enactment of this Act.

(b) USE OF EDUCATION BENEFIT TO PAY DOWN STUDENT LOAN REPAYMENT.—

(1) APPLICATION BY ELIGIBLE INDIVIDUALS.—An eligible individual who desires to apply the education benefit of the individual under this section to the repayment of qualified student loans shall sub-

mit, in a manner prescribed by the Secretary, an application to the Secretary that—

(A) identifies, or permits the Secretary to identify, the holder or holders of such loans;

(B) indicates, or permits the Secretary to determine, the amounts of principal and interest outstanding on the loans;

(C) specifies, if the outstanding balance is greater than the amount of the maximum education benefit under subsection (a)(3), which of the loans the individual prefers to be paid by the Secretary; and

(D) contains or is accompanied by such other information as the Secretary may require.

(2) DISBURSEMENT OF LOAN REPAYMENTS.—Upon receipt of an application that complies with paragraph (1) from an eligible individual, the Secretary shall, as promptly as practicable, repay the amount of the education benefit of the individual determined under subsection (a)(3) by—

(A) disbursing such amount by check or other means that is payable to the holder of the loan and requires the endorsement or other certification by the eligible individual; or

(B) in the case of a loan held by the Secretary, cancelling such amount.

(3) APPLICATION OF REPAID AMOUNTS.—If the amount repaid under paragraph (2) is less than the principal and accrued interest on any qualified student loan, such amount shall be applied according to the specified priorities of the eligible individual.

(4) REPORTS BY HOLDERS.—Any holder receiving a loan payment pursuant to this subsection shall submit to the Secretary such information as the Secretary may require to verify that such payment was applied in accordance with this subsection and any regulations prescribed to carry out this subsection.

(5) NOTIFICATION OF INDIVIDUAL.—The Secretary, upon repaying the education benefit of an eligible individual, shall notify the individual of the amount paid for each outstanding loan and the date of payment.

(6) AUTHORITY TO AGGREGATE PAYMENTS.—The Secretary may, by regulation, provide for the aggregation of payments to holders under this subsection.

(7) DEFINITION OF HOLDER.—As used in this subsection, the term ''holder'' with respect to any qualified student loan means the original lender or,

if the loan is subsequently sold, transferred, or assigned to some other person, and such other person acquires a legally enforceable right to receive payments from the borrower, such other person.

(c) USE OF EDUCATION BENEFIT FOR EDUCATIONAL EXPENSES TO UPSKILL.—

(1) APPLICATION BY ELIGIBLE INDIVIDUAL.—An eligible individual who desires to apply the education benefit of the individual under this section to the payment of qualified educational expenses shall, on a form prescribed by the Secretary, submit an application to the eligible institution in which the student will be enrolled that contains such information as the Secretary may require to verify the individual's eligibility for such benefit.

(2) SUBMISSION OF REQUESTS FOR PAYMENT BY INSTITUTIONS.—An eligible institution that receives one or more applications that comply with paragraph (1) shall submit to the Secretary a statement, in a manner prescribed by the Secretary, that—

(A) identifies each eligible individual filing an application under paragraph (1) for a disbursement of the individual's education benefit under this subsection;

(B) specifies the amounts for which such eligible individuals are, consistent with paragraph (6), qualified for disbursement under this subsection;

(C) certifies that—

(i) in the case of an eligible institution that is an institution of higher education—

(I) the institution has in effect a program participation agreement under section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094); and

(II) the institution's eligibility to participate in any of the programs under title IV of such Act (20 U.S.C. 1070 et seq.) has not been limited, suspended, or terminated; and

(ii) in the case of an eligible institution that is not an institution of higher education, meets the requirements of subsection (d)(1)(B); and

(D) contains such provisions concerning financial compliance as the Secretary may require.

(3) DISBURSEMENT OF PAYMENTS.—Upon receipt of a statement from an eligible institution that complies with paragraph (2), the Secretary shall disburse the total amount of the education benefit for which eligible individuals who have submitted applications to that institution under paragraph (1) are scheduled to receive. Such disbursement shall be made by check or other means that is payable to the institution and requires the endorsement or other certification by the eligible individual.

(4) REFUND RULES.—The Secretary shall, by regulation, provide for the refund to the Secretary (and the crediting to the education benefit of an eligible individual) of amounts disbursed to institutions for the benefit of eligible individuals who withdraw or otherwise fail to complete the period of enrollment for which the assistance was provided. Such regulations shall be consistent with the fair and equitable refund policies required of institutions pursuant to section 484B of the Higher Education Act of 1965 (20 U.S.C. 1091b). Amounts refunded to the Secretary pursuant to this paragraph may be used by the Secretary to fund additional education benefits for eligible individuals under this Act.

(5) MAXIMUM BENEFIT FOR A PERIOD OF ENROLLMENT.—The portion of an eligible individual's total available education benefit that may be disbursed under this subsection for any period of enrollment shall not exceed the difference between—

(A) the tuition and fees charged to the eligible individual for such period of enrollment; and

(B) the student's estimated financial assistance for such period under part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(d) DEFINITIONS.—In this section:

(1) ELIGIBLE INSTITUTION.—The term ''eligible institution'' means—

(A) an institution of higher education—

(i) that has the meaning given such term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001); or

(ii) that is a provider on a list of eligible providers of training services under section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)); or

(B) an entity that offers a program—

(i) that is provided by a provider on a list of eligible providers of training services under section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)); or

(ii) that is provided by a provider that is not on a list described in clause (i) but that, upon petition to the Secretary of Labor by an eligible individual, the Secretary determines based on indicators of performance under section 116 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3141) has, for at least the five previous years, a record of good outcomes as defined by the State plan submitted under section 102 or 103 of such Act (29 U.S.C. 3112; 3113) with respect to such provider.

(2) QUALIFIED EDUCATIONAL EXPENSES.—The term ''qualified educational expenses'' means the cost of tuition and fees charged to an eligible individual for full-time or part-time enrollment at an eligible institution in an education or training program that results in a recognized postsecondary credential.

(3) QUALIFIED STUDENT LOANS.—The term "qualified student loans" means—

(A) any loan made, insured, or guaranteed under part B, part D, or part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) before the date of enactment of this Act, including—

(i) loans made to a parent borrower on behalf of a dependent student under part B or part D of such Act, if such parent borrower is an eligible individual under this Act;

(ii) consolidation loans made under such Act; and

(iii) any grant treated as a loan under such part D in accordance with section 258(e), section 420M(c), or section 807(d) of such Act;

(B) a private education loan, as defined in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)), that—

(i) was expressly for the cost of attendance (as defined in section 472) at an institution of higher education participating in a loan program under part B,

part D, or part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), as of the date that the loan was disbursed; and

(ii) was made before the date of enactment of this Act; and

(C) any loan made pursuant to title VII or VIII of the Public Health Service Act (42 U.S.C. 292a et seq.) before the date of the enactment of this Act.

(4) RECOGNIZED POSTSECONDARY CREDENTIAL.—The term ''recognized postsecondary credential'' has the meaning given such term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

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