

118TH CONGRESS
2D SESSION

H. R. 7877

To improve the public service loan forgiveness program under section 455(m) of the Higher Education Act of 1965, to improve loan forgiveness eligibility provisions under such Act for teachers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 5, 2024

Mr. NORCROSS introduced the following bill; which was referred to the
Committee on Education and the Workforce

A BILL

To improve the public service loan forgiveness program under section 455(m) of the Higher Education Act of 1965, to improve loan forgiveness eligibility provisions under such Act for teachers, 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 “Second Chance at Pub-
5 lic Service Loan Forgiveness Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) The public service loan forgiveness program
2 under section 455(m) of the Higher Education Act
3 of 1965 (20 U.S.C. 1087e(m)) was created in 2007
4 to attract individuals to public service by forgiving
5 an individual's Federal loans under part D of title
6 IV of the Higher Education Act of 1965 (20 U.S.C.
7 1071 et seq.; 20 U.S.C. 1087a et seq.) after 10
8 years of employment in areas of national need.

9 (2) These public service careers, which include
10 employment in military, emergency management,
11 government, public safety, law enforcement, public
12 health, education, child care, social work, services for
13 individuals with disabilities, services for the elderly,
14 public interest legal services, and library sciences,
15 pay substantially less than similar careers in the pri-
16 vate sector.

17 (3) The public sector also repeatedly experi-
18 ences workforce shortages, especially following the
19 COVID–19 pandemic.

20 (4) An undergraduate degree, certification, or
21 advanced degree is a prerequisite to enter or ad-
22 vance in these public service careers. Yet, research
23 suggests that the prospect of several decades of stu-
24 dent loan payments often deters individuals from
25 pursuing careers in public service.

1 (5) The public service loan forgiveness program
2 has substantially failed. In 2018, 99 percent of the
3 borrowers who applied for relief under the program
4 were denied due to improper type of loans, employ-
5 ment, or repayment plan, or the number of pay-
6 ments that they had made.

7 (6) Advocates and enforcement agencies, includ-
8 ing 38 State Attorneys General and the Bureau of
9 Consumer Financial Protection, have repeatedly
10 found that all of the major Federal student loan
11 servicers provided inaccurate information to bor-
12 rowers who were interested in or relying upon the
13 public service loan forgiveness program. They also
14 found that servicers repeatedly steered borrowers
15 away from public service loan forgiveness into higher
16 monthly payments and into deferment and
17 forbearances.

18 (7) This has caused millions of public servants
19 irreparable economic harm, including preventing
20 them from buying a home, opening a small business,
21 starting a family, or retiring, because of their stu-
22 dent debt.

23 (8) Despite the recent actions of President
24 Biden's administration to improve the public service
25 loan forgiveness program, these actions are limited

1 and will not fully atone for the repeated, pervasive,
2 and systemic actions by Federal student loan
3 servicers to prevent public servants from fully bene-
4 fitting from this program.

5 **SEC. 3. MAKING FORGIVENESS ATTAINABLE FOR PUBLIC**
6 **SECTOR WORKERS.**

7 Section 455(m) of the Higher Education Act of 1965
8 (20 U.S.C. 1087e(m)) is amended—

9 (1) by striking paragraph (1) and inserting the
10 following:

11 “(1) IN GENERAL.—The Secretary shall cancel
12 the balance of interest and principal due, in accord-
13 ance with paragraph (2), on any eligible Federal Di-
14 rect Loan not in default for a borrower who—

15 “(A) obtained an eligible Federal Direct
16 Loan on or after January 1, 1994;

17 “(B) has been employed full-time in public
18 service for a total period of 10 years or more
19 after the date on which the first eligible Federal
20 Direct Loan was obtained; and

21 “(C) while employed full-time in public
22 service during the period described in subpara-
23 graph (B), completes 120 monthly payments on
24 the eligible loans of the borrower, pursuant to
25 any one or a combination of the following:

1 “(i) Payments under an income-based
2 repayment plan under section 493C.

3 “(ii) Payments under a standard re-
4 payment plan under subsection (d)(1)(A),
5 based on a 10-year repayment period.

6 “(iii) Monthly payments under a re-
7 payment plan under subsection (d)(1) or
8 (g) of not less than the monthly amount
9 calculated under subsection (d)(1)(A),
10 based on a 10-year repayment period.

11 “(iv) Payments under an income con-
12 tingent repayment plan under subsection
13 (d)(1)(D).

14 “(v) Any monthly payment that would
15 have otherwise been made by the borrower
16 on 1 or more eligible loans during a period
17 of forbearance, including—

18 “(I) discretionary or mandatory
19 administrative forbearance;

20 “(II) forbearance described in
21 section 428(c)(3)(A)(i), including for-
22 bearance because—

23 “(aa) the borrower is serv-
24 ing in a medical or dental intern-
25 ship or residency program de-

1 scribed in section
2 428(c)(3)(A)(i)(I);

3 “(bb) the borrower is serv-
4 ing in a national service position
5 for which the borrower receives a
6 national service educational
7 award under the National and
8 Community Service Trust Act of
9 1993 (42 U.S.C. 12501 et seq.);
10 or

11 “(cc) the borrower is eligible
12 for interest payments to be made
13 on such loan for service in the
14 Armed Forces under section
15 2174 of title 10, United States
16 Code, and, pursuant to that eligi-
17 bility, the interest is being paid
18 on such loan under subsection
19 (o);

20 “(III) forbearance provided be-
21 cause the borrower is serving in an
22 educator residency program; and

23 “(IV) forbearance provided to a
24 borrower due to the borrower’s quali-
25 fying National Guard service.

1 “(vi) Any monthly payment that
2 would have otherwise been made by the
3 borrower on 1 or more eligible loans during
4 a period of deferment, including—

5 “(I) deferment relating to cancer
6 treatment under subsection (f)(3) or
7 section 427(a)(2)(C)(v);

8 “(II) deferment relating to active
9 duty during a war or other military
10 operation or national emergency, or
11 performing qualifying National Guard
12 duty during a war or other military
13 operation or national emergency,
14 under subsection (f)(2)(C) or section
15 428(b)(1)(M)(iii);

16 “(III) deferment relating to a pe-
17 riod of unemployment under sub-
18 section (f)(2)(B) or section
19 428(b)(1)(M)(ii), or of economic hard-
20 ship under subsection (f)(2)(D) or
21 section 428(b)(1)(M)(iv);

22 “(IV) deferment provided in con-
23 nection with services in the Peace
24 Corps; and

25 “(V) deferment provided—

1 “(aa) while the borrower is
2 carrying at least one-half the
3 normal full-time work load under
4 subsection (f)(2)(A) or section
5 427(a)(2)(C) and employed full-
6 time in public service; or

7 “(bb) in connection with a
8 graduate student fellowship or
9 while employed by a qualifying
10 employer and pursuing a grad-
11 uate, professional, or certificate
12 program or in connection with a
13 rehabilitation training program
14 under subsection (f)(2)(A) or sec-
15 tion 427(a)(2)(C).

16 “(vii) Any monthly payment that oth-
17 erwise would have been made by the bor-
18 rower during a grace period lasting in ex-
19 cess of 6 consecutive months.”;

20 (2) by redesignating paragraphs (3) and (4) as
21 paragraphs (5) and (6), respectively;

22 (3) by inserting after paragraph (2) the fol-
23 lowing:

24 “(3) SPECIAL RULES RELATING TO EMPLOY-
25 MENT.—

1 “(A) GRACE PERIOD PUBLIC SERVICE EM-
2 PLOYMENT.—The Secretary shall include any
3 payments made by a borrower on an eligible
4 Federal Direct Loan during a 6-month grace
5 period, as described in section 428(b)(7)(A),
6 while the borrower was employed full-time in
7 public service, upon notification by the borrower
8 of such employment and payments made.

9 “(B) AMERICORPS AND PEACE CORPS
10 SERVICE.—For purposes of this subsection, vol-
11 unteer service as an AmeriCorps or Peace
12 Corps volunteer, as described in subclause (III)
13 or (IV) of paragraph (6)(C)(i), shall be deemed
14 to be employment.

15 “(4) SPECIAL RULE FOR CERTAIN LOANS AND
16 BORROWERS.—

17 “(A) PARENT PLUS LOANS.—In the case of
18 a borrower of an eligible Federal Direct Loan
19 that is on behalf of a student, any public service
20 employment required under this subsection may
21 be completed by the borrower or by the student
22 on whose behalf the loan was made.

23 “(B) SPECIAL RULES FOR FEDERAL DI-
24 RECT CONSOLIDATION LOANS.—

1 “(i) IN GENERAL.—A borrower who
2 has obtained an eligible Federal Direct
3 Loan that is a Federal Direct Consolida-
4 tion Loan that includes a loan made, in-
5 sured, or guaranteed under part B or part
6 E shall receive credit—

7 “(I) under paragraph (1) for any
8 years of full-time employment in pub-
9 lic service that occurred while the bor-
10 rower had a component loan of the
11 Federal Direct Consolidation Loan;
12 and

13 “(II) under paragraph (1)(C) for
14 any monthly payment described in
15 such paragraph that was made by, or
16 credited to, the borrower on a compo-
17 nent loan of the Federal Direct Con-
18 solidation Loan.

19 “(ii) SPECIAL RULES FOR JOINT BOR-
20 ROWERS.—The Secretary shall allow the
21 borrowers of a Joint Consolidation Loan or
22 a Joint Direct Consolidation Loan who are
23 employed in a public service job to consoli-
24 date such loan into a Federal Direct Con-
25 solidation Loan in order to receive loan

1 cancellation pursuant to this subsection.”;

2 and

3 (4) by striking paragraph (5), as redesignated

4 by paragraph (2), and inserting the following:

5 “(5) DEFINITIONS.—In this subsection:

6 “(A) ELIGIBLE FEDERAL DIRECT LOAN.—

7 The term ‘eligible Federal Direct Loan’ means
8 a Federal Direct Stafford Loan, Federal Direct
9 Unsubsidized Loan, Federal Direct PLUS Loan
10 (including such loan made on behalf of a stu-
11 dent), or Federal Direct Consolidation Loan.

12 “(B) FULL-TIME.—The term ‘full-time’,
13 when used with respect to employment in public
14 service, means working in public service employ-
15 ment in one or more jobs for a total of—

16 “(i) not less than 30 hours a week;

17 “(ii) in the case of any form of edu-
18 cational public service employment that is
19 under a contract for not less than 8
20 months, not less than 30 hours per week
21 during the contract period; or

22 “(iii) in the case of employment as an
23 adjunct, contingent, or part-time faculty
24 member, teacher, or lecturer who is paid
25 solely for the credit hours taught at an in-

stitution of higher education, the equivalent of 30 hours per week determined by multiplying each credit or contract hour taught per week by 3.35.

“(C) PUBLIC SERVICE.—

“(i) IN GENERAL.—The term ‘public service’ means—

“(I) employment with a qualifying employer described in clause (i) or (ii) of subparagraph (D);

“(II) employment with a qualifying employer described in subparagraph (D)(iii) that—

“(aa) provides direct services to the public through its employees; and

“(bb) has devoted a majority of its full-time equivalent employees to working in not less than 1 of the following areas:

“(AA) Early childhood education programs.

“(BB) Emergency management.

1 “(CC) Law enforce-
2 ment.

3 “(DD) Military service.

4 “(EE) Other school-
5 based services.

6 “(FF) Public education
7 (including higher education).

8 “(GG) Public health.

9 “(HH) Public interest
10 law services.

11 “(II) Public library
12 services.

13 “(JJ) Public safety.

14 “(KK) Public services
15 for individuals with disabil-
16 ities or public services for
17 the elderly.

18 “(LL) School library
19 services;

20 “(III) satisfactory service as a
21 Peace Corps volunteer in accordance
22 with section 5 of the Peace Corps Act
23 (22 U.S.C. 2504); or

24 “(IV) successful service as a par-
25 ticipant in a position described in sec-

tion 123 of the National and Community Service Act of 1990 (42 U.S.C. 12573).

“(ii) ADDITIONAL DEFINITIONS.—For purposes of clause (i):

“(I) EMERGENCY MANAGEMENT SERVICES.—The term ‘emergency management services’ means services that help remediate, lessen, or eliminate the effects or potential effects of emergencies that threaten human life or health or real property.

“(II) LAW ENFORCEMENT.—The term ‘law enforcement’ means services performed by an employee of a public service organization that is publicly funded and whose principal activities pertain to crime prevention, control or reduction of crime, or the enforcement of criminal law.

“(III) MILITARY SERVICE.—The term ‘military service’ means providing service to or on behalf of members, veterans, or the families or survivors of members or veterans of the

1 Armed Forces, including the National
2 Guard, that is provided to a person
3 because of the person's status in the
4 Armed Forces or National Guard.

5 “(IV) OTHER SCHOOL-BASED
6 SERVICES.—The term ‘other school-
7 based services’ means an employee of
8 a State, or of any political division of
9 a State, or an employee of a nonprofit
10 organization, who works in any grade
11 from prekindergarten through grade
12 12 in any of the following occupa-
13 tional specialties:

14 “(aa) Paraprofessional serv-
15 ices, including paraeducator serv-
16 ices.

17 “(bb) Clerical and adminis-
18 trative services.

19 “(cc) Transportation serv-
20 ices.

21 “(dd) Food and nutrition
22 services.

23 “(ee) Custodial and mainte-
24 nance services.

25 “(ff) Security services.

1 “(gg) Health and student
2 services.

3 “(hh) Technical services.

4 “(ii) Skilled trades.

5 “(V) PUBLIC EDUCATION.—The
6 term ‘public education’ means—

7 “(aa) the provision of edu-
8 cational enrichment or support to
9 students in a school or a school-
10 like setting, including teaching;
11 and

12 “(bb) teaching as a full-time
13 faculty member at a Tribal Col-
14 lege or University, as defined in
15 section 316(b), and other faculty
16 teaching in high-needs subject
17 areas or areas of shortage (in-
18 cluding nurse faculty, foreign
19 language faculty, and part-time
20 faculty at community colleges),
21 as determined by the Secretary.

22 “(VI) The term ‘public health’
23 means—

24 “(aa) services provided by
25 physicians, nurses (including

1 nurses in a clinical setting), and
2 nurse practitioners; and

3 “(bb) services provided by
4 health care practitioner occupa-
5 tions, health care support occu-
6 pations, and counselors, social
7 workers, and other community
8 and social service specialist occu-
9 pations, as those terms are de-
10 fined by the Bureau of Labor
11 Statistics.

12 “(VII) The term ‘public interest
13 law’ means legal services or legal ad-
14 vocacy provided by a nonprofit organi-
15 zation, but excludes services provided
16 by individuals who are registered lob-
17 byists at the Federal, State, or local
18 level.

19 “(VIII) The term ‘public library
20 services’ means the operation of public
21 libraries or services that support their
22 operation.

23 “(IX) The term ‘public safety
24 services’ means services that seek to

1 prevent the need for emergency man-
2 agement services.

3 “(X) The term ‘public services
4 for individuals with disabilities’ means
5 services performed for, or to assist,
6 individuals with disabilities (as de-
7 fined in section 3 of the Americans
8 with Disabilities Act of 1990 (42
9 U.S.C. 12102)) that is provided to an
10 individual because of the individual’s
11 status as an individual with a dis-
12 ability.

13 “(XI) The term ‘public service
14 for the elderly’ means services that
15 are provided to individuals who are
16 aged 59.5 years or older and that are
17 provided to an individual because of
18 the individual’s status as an individual
19 of that age, including services related
20 to retirement plans, pensions, social
21 security, retiree health plans, or Med-
22 icaid.

23 “(XII) The term ‘school library
24 services’ means the operations of

1 school libraries or services that sup-
 2 port their operation.

3 “(D) QUALIFYING EMPLOYER.—The term
 4 ‘qualifying employer’ means—

5 “(i) a Federal, State, Tribal, local,
 6 intergovernmental, or regional govern-
 7 mental organization, agency, or entity
 8 based or headquartered in the United
 9 States, including the Armed Forces, Na-
 10 tional Guard, Merchant Marines, or Coast
 11 Guard;

12 “(ii) a nonprofit organization that is
 13 qualified under section 501(c)(3) of the In-
 14 ternal Revenue Code of 1986; or

15 “(iii) a nonprofit organization that is
 16 qualified under section 501(a) of such
 17 Code, with respect to an employee in public
 18 service employment.”.

19 **SEC. 4. LOAN FORGIVENESS FOR TEACHERS.**

20 The Higher Education Act of 1965 (20 U.S.C. 1001
 21 et seq.) is amended—

22 (1) in section 428J(g)(2) (20 U.S.C. 1078–
 23 10(g)(2))—

24 (A) in subparagraph (A), by inserting “or”
 25 after the semicolon at the end;

1 (B) by striking subparagraph (B); and
2 (C) by redesignating subparagraph (C) as
3 subparagraph (B);
4 (2) in paragraph (6) of section 455(m) (20
5 U.S.C. 1087e(m)), as redesignated by section 3(2),
6 by striking “both this subsection and section 428J,
7 428K, 428L, or 460” and inserting “both this sub-
8 section and section 428K or 428L”; and
9 (3) in section 460(g)(2) (20 U.S.C.
10 1087j(g)(2))—
11 (A) in subparagraph (A), by inserting “or”
12 after the semicolon at the end;
13 (B) by striking subparagraph (B); and
14 (C) by redesignating subparagraph (C) as
15 subparagraph (B).

○