

Suspend the Rules and Pass the Bill, H.R. 3598, With an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

116TH CONGRESS
2^D SESSION

H. R. 3598

To amend the Higher Education Act of 1965 to automatically discharge the loans of certain veteran borrowers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2019

Mr. LAMB (for himself, Mr. FITZPATRICK, Mr. COURTNEY, Mr. RESCHENTHALER, and Mr. LEVIN of Michigan) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Act of 1965 to automatically discharge the loans of certain veteran borrowers, 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 “Federally Requiring
5 Earned Education-debt Discharges for Vets Act” or the
6 “FREED Vets Act”.

1 **SEC. 2. AUTOMATIC LOAN DISCHARGE FOR CERTAIN VET-**
2 **ERAN BORROWERS.**

3 Section 437(a) of the Higher Education Act of 1965
4 (20 U.S.C. 1087(a)) is amended—

5 (1) by striking paragraph (2) and inserting the
6 following:

7 “(2) **DISABILITY DETERMINATIONS.**—With re-
8 spect to a borrower who has been identified under
9 clause (i) or (ii) of paragraph (4)(A), the Secretary
10 shall—

11 “(A) consider the borrower permanently
12 and totally disabled for the purpose of dis-
13 charging the loans of the borrower under this
14 subsection;

15 “(B)(i) notify the borrower of the intent of
16 the Secretary to discharge the loans of the bor-
17 rower under this subsection; and

18 “(ii) only if section 108(f)(5) of the Inter-
19 nal Revenue Code of 1986 does not apply to
20 such a loan discharge for the calendar year, in-
21 clude as part of such notice a statement inform-
22 ing the borrower that such loan discharge may
23 be includible in the gross income of the bor-
24 rower for purposes of such Code;

25 “(C) provide the borrower with an oppor-
26 tunity to opt-out of such loan discharge during

1 the 60 day period beginning on the date on
2 which the Secretary transmits the notice re-
3 quired under subparagraph (B) to the borrower;
4 and

5 “(D) after the expiration of such period,
6 discharge the loans of the borrower under this
7 subsection, without any further action by the
8 borrower (except that this subparagraph shall
9 not apply to a borrower who opts out of such
10 discharge under subparagraph (C)).”; and

11 (2) by adding at the end the following:

12 “(4) MATCHING PROGRAM.—

13 “(A) IN GENERAL.—Not less than twice
14 per year, the Secretary of Education and the
15 Secretary of Veterans Affairs shall carry out a
16 computer matching program under which the
17 Secretary of Education identifies a borrower—

18 “(i) who has been assigned a rating of
19 total disability by the Secretary of Vet-
20 erans Affairs for a service-connected dis-
21 ability (as defined in section 101 of title
22 38, United States Code); or

23 “(ii) who has been determined by the
24 Secretary of Veterans Affairs to be unem-

1 ployable due to a service-connected condi-
2 tion.

3 “(B) MINOR DISCREPANCIES.—With re-
4 spect to each borrower who would have been
5 identified under clause (i) or (ii) of subpara-
6 graph (A) but for a minor discrepancy between
7 the information of the borrower maintained by
8 the Secretary of Education and the Secretary of
9 Veterans Affairs (such as a name discrepancy
10 post-marriage, a missing hyphen, a transposed
11 number or letter, or other typo), the Secretary
12 of Education and the Secretary of Veterans Af-
13 fairs shall work together to correct such minor
14 discrepancy of such borrower.”.