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
2D 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 Representatives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Federally Requiring Earned Education-debt Discharges for Vets Act” or the “FREED Vets Act”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SEC. 2. AUTOMATIC LOAN DISCHARGE FOR CERTAIN VETERAN BORROWERS.

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

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

“(2) DISABILITY DETERMINATIONS.—With respect to a borrower who has been identified under clause (i) or (ii) of paragraph (4)(A), the Secretary shall—

“(A) consider the borrower permanently and totally disabled for the purpose of discharging the loans of the borrower under this subsection;

“(B)(i) notify the borrower of the intent of the Secretary to discharge the loans of the borrower under this subsection; and

“(ii) only if section 108(f)(5) of the Internal Revenue Code of 1986 does not apply to such a loan discharge for the calendar year, include as part of such notice a statement informing the borrower that such loan discharge may be includible in the gross income of the borrower for purposes of such Code;

“(C) provide the borrower with an opportunity to opt-out of such loan discharge during
the 60 day period beginning on the date on
which the Secretary transmits the notice re-
quired under subparagraph (B) to the borrower;
and
“(D) after the expiration of such period,

discharge the loans of the borrower under this
subsection, without any further action by the
borrower (except that this subparagraph shall
not apply to a borrower who opts out of such
discharge under subparagraph (C)).”; and

(2) by adding at the end the following:

“(4) Matching Program.—

“(A) in General.—Not less than twice
per year, the Secretary of Education and the
Secretary of Veterans Affairs shall carry out a
computer matching program under which the
Secretary of Education identifies a borrower—

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

“(ii) who has been determined by the
Secretary of Veterans Affairs to be unem-
ployable due to a service-connected condition.

“(B) MINOR DISCREPANCIES.—With respect to each borrower who would have been identified under clause (i) or (ii) of subparagraph (A) but for a minor discrepancy between the information of the borrower maintained by the Secretary of Education and the Secretary of Veterans Affairs (such as a name discrepancy post-marriage, a missing hyphen, a transposed number or letter, or other typo), the Secretary of Education and the Secretary of Veterans Affairs shall work together to correct such minor discrepancy of such borrower.”.