

**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)**

116<sup>TH</sup> CONGRESS  
2<sup>D</sup> 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.

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## 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

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## 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.”.