AMENDMENT TO RULES COMMITTEE PRINT 115–70

OFFERED BY MRS. DAVIS OF CALIFORNIA

At the end of subtitle F of title V, add the following new section:

SEC. 5. NONACCRUAL OF STUDENT LOAN INTEREST FOR ELIGIBLE MILITARY BORROWERS.

(a) AGREEMENTS.—The Secretary of Defense shall enter into any necessary agreements, including agreements with the Internal Revenue Service and the Secretary of Education, to carry out the activities described in this section.

(b) NO ACCRUAL OF INTEREST.—

(1) IN GENERAL.—The Secretary of Defense shall ensure that student loan interest does not accrue for eligible Federal Direct Loans of eligible military borrowers, in accordance with the Federal prohibition on interest accrual for eligible military borrowers under section 455(o) of the Higher Education Act of 1965 (20 U.S.C. 1087e(o)).

(2) ELIGIBLE FEDERAL DIRECT LOAN.—In this section, the term eligible Federal Direct Loan means a loan made under part D of title IV of the Higher
Education Act of 1965 (20 U.S.C. 1087a et seq.) for which the first disbursement is made on or after October 1, 2008.

(c) COMPENSATION.—The Secretary of Defense shall ensure that an eligible military borrower who qualified for the no accrual of interest benefit under such section 455(o) during any period beginning on or after October 1, 2008, and did not receive the full benefit under such section for which the borrower qualified, is provided compensation in an amount equal to the amount of interest paid by the borrower that would have been subject to that benefit.

(d) BORROWER REQUEST NOT REQUIRED.—The Secretary of Defense shall obtain or provide any information necessary to implement the activities described in this section without requiring a request from a borrower.