

AMENDMENT TO RULES COMMITTEE PRINT 118-

36

OFFERED BY MS. DEAN OF PENNSYLVANIA

Page 762, after line 25, insert the following new section:

1 **SEC. 17___ . PROTECTIONS FOR OBLIGORS AND COSIGNERS**
2 **IN CASE OF DEATH OR TOTAL AND PERMA-**
3 **NENT DISABILITY.**

4 (a) IN GENERAL.—Section 140(g) of the Truth in
5 Lending Act (15 U.S.C. 1650(g)) is amended—

6 (1) in paragraph (2)—

7 (A) in the heading, by striking “IN CASE
8 OF DEATH OF BORROWER”;

9 (B) in subparagraph (A), by inserting after
10 “of the death”, the following: “or total and per-
11 manent disability”; and

12 (C) in subparagraph (C), by inserting after
13 “of the death”, the following: “or total and per-
14 manent disability”; and

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

16 “(3) DISCHARGE IN CASE OF DEATH OR TOTAL
17 AND PERMANENT DISABILITY OF BORROWER.—The
18 holder of a private education loan shall, when noti-

1 fied of the death or total and permanent disability
2 of a student obligor, discharge the liability of the
3 student obligor on the loan and may not, after such
4 notification—

5 “(A) attempt to collect on the outstanding
6 liability of the student obligor; and

7 “(B) in the case of total and permanent
8 disability, monitor the disability status of the
9 student obligor at any point after the date of
10 discharge.

11 “(4) TOTAL AND PERMANENT DISABILITY DE-
12 FINED.—For the purposes of this subsection and
13 with respect to an individual, the term ‘total and
14 permanent disability’ means the individual is totally
15 and permanently disabled, as such term is defined in
16 section 685.102(b) of title 34 of the Code of Federal
17 Regulations.

18 “(5) PRIVATE DISCHARGE IN CASES OF CER-
19 TAIN DISCHARGE FOR DEATH OR DISABILITY.—The
20 holder of a private education loan shall, when noti-
21 fied of the discharge of liability of a student obligor
22 on a loan described under section 108(f)(5)(A) of
23 the Internal Revenue Code of 1986, discharge any li-
24 ability of the student obligor (and any cosigner) on
25 any private education loan which the private edu-

1 cation loan holder holds and may not, after such no-
2 tification—

3 “(A) attempt to collect on the outstanding
4 liability of the student obligor; and

5 “(B) in the case of total and permanent
6 disability, monitor the disability status of the
7 student obligor at any point after the date of
8 discharge.”.

9 (b) TAX LIABILITY.—Section 108(f)(5) of the Inter-
10 nal Revenue Code of 1986 (26 U.S.C. 108(f)(5)) is
11 amended—

12 (1) in the heading by striking “IN 2021
13 THROUGH 2025” and inserting “AFTER 2020”; and

14 (2) in the matter preceding subparagraph (A),
15 by striking “and before January 1, 2026,”.

16 (c) RULEMAKING.—The Director of the Bureau of
17 Consumer Financial Protection may issue rules to imple-
18 ment the amendments made by subsection (a) as the Di-
19 rector determines appropriate.

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section shall take effect 1 year after the date of the
22 enactment of this Act.

