

**AMENDMENT TO RULES COMMITTEE PRINT**

**117-13**

**OFFERED BY MS. DEAN OF PENNSYLVANIA**

In title LI of division E, after section 5105, insert the following:

**1 SEC. 5106. 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) RULEMAKING.—The Director of the Bureau of  
10 Consumer Financial Protection may issue rules to imple-  
11 ment the amendments made by subsection (a) as the Di-  
12 rector determines appropriate.

13 (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall take effect 1 year after the date of the  
15 enactment of this Act.

