AMENDMENT TO THE RULES COMMITTEE PRINT

116–57

OFFERED BY M __. ____________

In subtitle E of title XVII, add at the end the following:

SEC. ___. TEMPORARY RELIEF FOR PRIVATE STUDENT LOAN BORROWERS.

(a) IN GENERAL.—A servicer of a private education loan extended to a covered borrower shall suspend all payments on such loan through September 30, 2021.

(b) NO ACCRUAL OF INTEREST.—Interest shall not accrue on a loan described under subsection (a) for which payment was suspended for the period of the suspension.

(c) CONSIDERATION OF PAYMENTS.—A servicer of a private education loan extended to a covered borrower shall deem each month for which a loan payment was suspended under this section as if the borrower of the loan had made a payment for the purpose of any loan forgiveness program or loan rehabilitation program for which the borrower would have otherwise qualified.

(d) REPORTING TO CONSUMER REPORTING AGENCIES.—During the period in which a loan payment was suspended under this section, the servicer of the loan shall
ensure that, for the purpose of reporting information about the loan to a consumer reporting agency, any payment that has been suspended is treated as if it were a regularly scheduled payment made by a borrower.

(e) Suspending Involuntary Collection.—During the period for which a loan payment was suspended under this section, the servicer or holder of the loan shall suspend all involuntary collection related to the loan.

(f) Notice to Borrowers and Transition Period.—To inform covered borrowers of the actions taken in accordance with this section and ensure an effective transition, the servicer of a private education loan extended to a covered borrower shall—

(1) not later than 15 days after the date of enactment of this Act, notify covered borrowers—

(A) of the actions taken in accordance with subsections (a) and (b) for whom payments have been suspended and interest waived;

(B) of the actions taken in accordance with subsection (e) for whom collections have been suspended;

(C) of the option to continue making payments toward principal; and

(D) that the program under this section is a temporary program; and
(2) beginning on August 1, 2020, carry out a program to provide not less than 6 notices by postal mail, telephone, or electronic communication to covered borrowers indicating when the borrower’s normal payment obligations will resume.

(g) DEFINITIONS.—In this section:

(1) COVERED BORROWER.—The term “covered borrower” means a borrower of a private education loan.

(2) PRIVATE EDUCATION LOAN.—The term “private education loan” has the meaning given the term in section 140 of the Truth in Lending Act (15 U.S.C. 1650).