AMENDMENT TO RULES COMMITTEE PRINT TO
H.R. 1911
OFFERED BY MR. RUNYAN OF NEW JERSEY

[Page and line numbers refer to Rules Committee Print 113–12]

Page 3, line 20, strike “3” and insert “5”.

Page 3, after line 19, insert the following:

1 SEC. 3. ADDITIONAL STUDENT LOAN PROTECTIONS.

2 (a) In general.—Section 140 of the Truth in Lending Act (15 U.S.C. 1650) is amended by adding at the end the following:

3 “(g) Additional protections relating to death or disability of borrower or cosigner of a private education loan.—

4 “(1) Clear and conspicuous description of cosigner’s obligation.—In the case of any private educational lender who extends a private education loan for which any cosigner is jointly liable, the lender shall clearly and conspicuously describe, in writing, the cosigner’s obligations with respect to the loan, including the effect the death, disability, or inability to engage in any substantial gainful activity of the borrower or any cosigner
would have on any such obligation, in language that
the Bureau determines would give a reasonable per-
son a reasonable understanding of the obligation
being assumed by becoming a cosigner for the loan.

“(2) Model form.—The Bureau shall publish
a model form under section 105 for describing a co-
signer’s obligation for purposes of paragraph (1).

“(3) Definition of death, disability, or
inability to engage in any substantial gain-
ful activity.—For the purposes of this subsection
with respect to a borrower or cosigner, the term
‘death, disability, or inability to engage in any sub-
stantial gainful activity’—

“(A) means any condition described in sec-
tion 437(a) of the Higher Education Act of
1965 (20 U.S.C. 1087(a)); and

“(B) shall be interpreted by the Bureau in
such a manner as to conform with the regula-
tions prescribed by the Secretary of Education
under section 437(a) of such Act (20 U.S.C.
1087(a)) to the fullest extent practicable, in-
cluding safeguards to prevent fraud and
abuse.”.
(b) **DEFINITIONS.**—Subsection (a) of section 140 of the Truth in Lending Act (15 U.S.C. 1650(a)) is amended—

(1) by redesignating paragraphs (1) through (8) as paragraphs (2) through (9), respectively; and

(2) by inserting before paragraph (2) (as redesignated by paragraph (1)) the following:

“(1) the term ‘cosigner’—

“(A) means any individual who is liable for the obligation of another without compensation, regardless of how designated in the contract or instrument;

“(B) includes any person whose signature is requested as condition to grant credit or to forbear on collection; and

“(C) does not include a spouse of an individual referred to in subparagraph (A) whose signature is needed to perfect the security interest in the loan;”.

**SEC. 4. FEDERAL STUDENT LOANS.**

Section 485(l)(2) of the Higher Education Act of 1965 (20 U.S.C. 1092(l)(2)) is amended by adding at the end the following:

“(L) Information on the conditions required to discharge the loan due to the death,
disability, or inability to engage in any substantial gainful activity of the borrower in accordance with section 437(a), and an explanation that, in the case of a private education loan made through a private educational lender (as such terms are defined in section 140 of the Truth in Lending Act (15 U.S.C. 1650)), the borrower, the borrower’s estate, and any co-signer of such a private education loan may be obligated to repay the full amount of the loan, regardless of the death or disability of the borrower or any other condition described in section 437(a)."