

**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 Lend-
3 ing Act (15 U.S.C. 1650) is amended by adding at the
4 end the following:

5 “(g) ADDITIONAL PROTECTIONS RELATING TO
6 DEATH OR DISABILITY OF BORROWER OR COSIGNER OF
7 A PRIVATE EDUCATION LOAN.—

8 “(1) CLEAR AND CONSPICUOUS DESCRIPTION
9 OF COSIGNER’S OBLIGATION.—In the case of any
10 private educational lender who extends a private
11 education loan for which any cosigner is jointly lia-
12 ble, the lender shall clearly and conspicuously de-
13 scribe, in writing, the cosigner’s obligations with re-
14 spect to the loan, including the effect the death, dis-
15 ability, or inability to engage in any substantial
16 gainful activity of the borrower or any cosigner

1 would have on any such obligation, in language that
2 the Bureau determines would give a reasonable per-
3 son a reasonable understanding of the obligation
4 being assumed by becoming a cosigner for the loan.

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

8 “(3) DEFINITION OF DEATH, DISABILITY, OR
9 INABILITY TO ENGAGE IN ANY SUBSTANTIAL GAIN-
10 FUL ACTIVITY.—For the purposes of this subsection
11 with respect to a borrower or cosigner, the term
12 ‘death, disability, or inability to engage in any sub-
13 stantial gainful activity’—

14 “(A) means any condition described in sec-
15 tion 437(a) of the Higher Education Act of
16 1965 (20 U.S.C. 1087(a)); and

17 “(B) shall be interpreted by the Bureau in
18 such a manner as to conform with the regula-
19 tions prescribed by the Secretary of Education
20 under section 437(a) of such Act (20 U.S.C.
21 1087(a)) to the fullest extent practicable, in-
22 cluding safeguards to prevent fraud and
23 abuse.”.

1 (b) DEFINITIONS.—Subsection (a) of section 140 of
2 the Truth in Lending Act (15 U.S.C. 1650(a)) is amend-
3 ed—

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

6 (2) by inserting before paragraph (2) (as redesi-
7 gnated by paragraph (1)) the following:

8 “(1) the term ‘cosigner’—

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

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

16 “(C) does not include a spouse of an indi-
17 vidual referred to in subparagraph (A) whose
18 signature is needed to perfect the security inter-
19 est in the loan;”.

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

21 Section 485(l)(2) of the Higher Education Act of
22 1965 (20 U.S.C. 1092(l)(2)) is amended by adding at the
23 end the following:

24 “(L) Information on the conditions re-
25 quired to discharge the loan due to the death,

1 disability, or inability to engage in any substan-
2 tial gainful activity of the borrower in accord-
3 ance with section 437(a), and an explanation
4 that, in the case of a private education loan
5 made through a private educational lender (as
6 such terms are defined in section 140 of the
7 Truth in Lending Act (15 U.S.C. 1650)), the
8 borrower, the borrower's estate, and any co-
9 signer of such a private education loan may be
10 obligated to repay the full amount of the loan,
11 regardless of the death or disability of the bor-
12 rower or any other condition described in sec-
13 tion 437(a).”.

