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(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R. _____

To help Americans pay down student loan debt or pay for education or training to develop or improve workforce skills.

IN THE HOUSE OF REPRESENTATIVES

Mr. LAMB introduced the following bill; which was referred to the Committee on _____

A BILL

To help Americans pay down student loan debt or pay for education or training to develop or improve workforce skills.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Pay Down, Upskill
5 Act of 2021”.

6 **SEC. 2. PAY DOWN OR UPSKILL EDUCATION BENEFIT PRO-**

7 **GRAM.**

8 (a) PROGRAM ESTABLISHED.—

1 (1) IN GENERAL.—The Secretary of Education
2 shall carry out a program, known as the “Pay Down
3 or Upskill Education Benefit Program”, to provide
4 to each eligible individual, upon application and ap-
5 proval, an education benefit to—

6 (A) repay all or part of the qualifying stu-
7 dent loans of the eligible individual, in accord-
8 ance with subsection (b); or

9 (B) pay all or part of the qualified edu-
10 cational expenses of the eligible individual, in
11 accordance with subsection (c).

12 (2) ELIGIBLE INDIVIDUAL.—An individual shall
13 be an “eligible individual” for purposes of this Act
14 if the individual—

15 (A) is not younger than 18 years of age
16 and not older than 65 years of age on the date
17 that the individual applies for an education ben-
18 efit under this Act; and

19 (B) received any credit or refund allowed
20 or made to the individual by reason of section
21 6428B of the Internal Revenue Code of 1986
22 (as added by section 9601 of the American Res-
23 cue Plan Act of 2021 (Public Law 117–2)).

1 (3) EDUCATION BENEFIT AMOUNT.—The
2 amount of an education benefit provided to an eligi-
3 ble individual in accordance with this Act shall be—

4 (A) the amount of the qualified student
5 loans of the individual; or

6 (B) the amount of the qualified edu-
7 cational expenses of the individual;

8 except that the maximum amount of the total edu-
9 cation benefit provided to an eligible individual shall
10 not exceed \$10,000.

11 (4) NOTICE TO THE PUBLIC.—Not later than 6
12 months after the date of enactment of this Act, the
13 Secretary shall publicly announce the program estab-
14 lished under this Act, including by posting informa-
15 tion about such program on the website of the De-
16 partment of Education. The Secretary shall update
17 and maintain such information as may be necessary.

18 (5) DEADLINE FOR APPLICATIONS.—To be con-
19 sidered for an education benefit under this section,
20 an eligible individual shall submit an application in
21 accordance with this section before the date that is
22 5 years after the date of the enactment of this Act.

23 (b) USE OF EDUCATION BENEFIT TO PAY DOWN
24 STUDENT LOAN REPAYMENT.—

1 (1) APPLICATION BY ELIGIBLE INDIVIDUALS.—

2 An eligible individual who desires to apply the edu-
3 cation benefit of the individual under this section to
4 the repayment of qualified student loans shall sub-
5 mit, in a manner prescribed by the Secretary, an ap-
6 plication to the Secretary that—

7 (A) identifies, or permits the Secretary to
8 identify, the holder or holders of such loans;

9 (B) indicates, or permits the Secretary to
10 determine, the amounts of principal and inter-
11 est outstanding on the loans;

12 (C) specifies, if the outstanding balance is
13 greater than the amount of the maximum edu-
14 cation benefit under subsection (a)(3), which of
15 the loans the individual prefers to be paid by
16 the Secretary; and

17 (D) contains or is accompanied by such
18 other information as the Secretary may require.

19 (2) DISBURSEMENT OF LOAN REPAYMENTS.—

20 Upon receipt of an application that complies with
21 paragraph (1) from an eligible individual, the Sec-
22 retary shall, as promptly as practicable, repay the
23 amount of the education benefit of the individual de-
24 termined under subsection (a)(3) by—

1 (A) disbursing such amount by check or
2 other means that is payable to the holder of the
3 loan and requires the endorsement or other cer-
4 tification by the eligible individual; or

5 (B) in the case of a loan held by the Sec-
6 retary, cancelling such amount.

7 (3) APPLICATION OF REPAID AMOUNTS.—If the
8 amount repaid under paragraph (2) is less than the
9 principal and accrued interest on any qualified stu-
10 dent loan, such amount shall be applied according to
11 the specified priorities of the eligible individual.

12 (4) REPORTS BY HOLDERS.—Any holder receiv-
13 ing a loan payment pursuant to this subsection shall
14 submit to the Secretary such information as the Sec-
15 retary may require to verify that such payment was
16 applied in accordance with this subsection and any
17 regulations prescribed to carry out this subsection.

18 (5) NOTIFICATION OF INDIVIDUAL.—The Sec-
19 retary, upon repaying the education benefit of an eli-
20 gible individual, shall notify the individual of the
21 amount paid for each outstanding loan and the date
22 of payment.

23 (6) AUTHORITY TO AGGREGATE PAYMENTS.—
24 The Secretary may, by regulation, provide for the

1 aggregation of payments to holders under this sub-
2 section.

3 (7) DEFINITION OF HOLDER.—As used in this
4 subsection, the term “holder” with respect to any
5 qualified student loan means the original lender or,
6 if the loan is subsequently sold, transferred, or as-
7 signed to some other person, and such other person
8 acquires a legally enforceable right to receive pay-
9 ments from the borrower, such other person.

10 (c) USE OF EDUCATION BENEFIT FOR EDUCATIONAL
11 EXPENSES TO UPSKILL.—

12 (1) APPLICATION BY ELIGIBLE INDIVIDUAL.—
13 An eligible individual who desires to apply the edu-
14 cation benefit of the individual under this section to
15 the payment of qualified educational expenses shall,
16 on a form prescribed by the Secretary, submit an
17 application to the eligible institution in which the
18 student will be enrolled that contains such informa-
19 tion as the Secretary may require to verify the indi-
20 vidual’s eligibility for such benefit.

21 (2) SUBMISSION OF REQUESTS FOR PAYMENT
22 BY INSTITUTIONS.—An eligible institution that re-
23 ceives one or more applications that comply with
24 paragraph (1) shall submit to the Secretary a state-

1 ment, in a manner prescribed by the Secretary,
2 that—

3 (A) identifies each eligible individual filing
4 an application under paragraph (1) for a dis-
5 bursement of the individual's education benefit
6 under this subsection;

7 (B) specifies the amounts for which such
8 eligible individuals are, consistent with para-
9 graph (6), qualified for disbursement under this
10 subsection;

11 (C) certifies that—

12 (i) in the case of an eligible institution
13 that is an institution of higher education—

14 (I) the institution has in effect a
15 program participation agreement
16 under section 487 of the Higher Edu-
17 cation Act of 1965 (20 U.S.C. 1094);
18 and

19 (II) the institution's eligibility to
20 participate in any of the programs
21 under title IV of such Act (20 U.S.C.
22 1070 et seq.) has not been limited,
23 suspended, or terminated; and

24 (ii) in the case of an eligible institu-
25 tion that is not an institution of higher

1 education, meets the requirements of sub-
2 section (d)(1)(B); and

3 (D) contains such provisions concerning fi-
4 nancial compliance as the Secretary may re-
5 quire.

6 (3) DISBURSEMENT OF PAYMENTS.—Upon re-
7 ceipt of a statement from an eligible institution that
8 complies with paragraph (2), the Secretary shall dis-
9 burse the total amount of the education benefit for
10 which eligible individuals who have submitted appli-
11 cations to that institution under paragraph (1) are
12 scheduled to receive. Such disbursement shall be
13 made by check or other means that is payable to the
14 institution and requires the endorsement or other
15 certification by the eligible individual.

16 (4) REFUND RULES.—The Secretary shall, by
17 regulation, provide for the refund to the Secretary
18 (and the crediting to the education benefit of an eli-
19 gible individual) of amounts disbursed to institutions
20 for the benefit of eligible individuals who withdraw
21 or otherwise fail to complete the period of enrollment
22 for which the assistance was provided. Such regula-
23 tions shall be consistent with the fair and equitable
24 refund policies required of institutions pursuant to
25 section 484B of the Higher Education Act of 1965

1 (20 U.S.C. 1091b). Amounts refunded to the Sec-
2 retary pursuant to this paragraph may be used by
3 the Secretary to fund additional education benefits
4 for eligible individuals under this Act.

5 (5) MAXIMUM BENEFIT FOR A PERIOD OF EN-
6 ROLLMENT.—The portion of an eligible individual’s
7 total available education benefit that may be dis-
8 bursed under this subsection for any period of en-
9 rollment shall not exceed the difference between—

10 (A) the tuition and fees charged to the eli-
11 gible individual for such period of enrollment;

12 and

13 (B) the student’s estimated financial as-
14 sistance for such period under part A of title IV
15 of the Higher Education Act of 1965 (20
16 U.S.C. 1070 et seq.).

17 (d) DEFINITIONS.—In this section:

18 (1) ELIGIBLE INSTITUTION.—The term “eligi-
19 ble institution” means—

20 (A) an institution of higher education—

21 (i) that has the meaning given such
22 term in section 101 of the Higher Edu-
23 cation Act of 1965 (20 U.S.C. 1001); or

24 (ii) that is a provider on a list of eligi-
25 ble providers of training services under

1 section 122(d) of the Workforce Innovation
2 and Opportunity Act (29 U.S.C. 3152(d));

3 or

4 (B) an entity that offers a program—

5 (i) that is provided by a provider on
6 a list of eligible providers of training serv-
7 ices under section 122(d) of the Workforce
8 Innovation and Opportunity Act (29
9 U.S.C. 3152(d)); or

10 (ii) that is provided by a provider that
11 is not on a list described in clause (i) but
12 that, upon petition to the Secretary of
13 Labor by an eligible individual, the Sec-
14 retary determines based on indicators of
15 performance under section 116 of the
16 Workforce Innovation and Opportunity Act
17 (29 U.S.C. 3141) has, for at least the five
18 previous years, a record of good outcomes
19 as defined by the State plan submitted
20 under section 102 or 103 of such Act (29
21 U.S.C. 3112; 3113) with respect to such
22 provider.

23 (2) QUALIFIED EDUCATIONAL EXPENSES.—The
24 term “qualified educational expenses” means the
25 cost of tuition and fees charged to an eligible indi-

1 vidual for full-time or part-time enrollment at an eli-
2 gible institution in an education or training program
3 that results in a recognized postsecondary credential.

4 (3) QUALIFIED STUDENT LOANS.—The term
5 “qualified student loans” means—

6 (A) any loan made, insured, or guaranteed
7 under part B, part D, or part E of title IV of
8 the Higher Education Act of 1965 (20 U.S.C.
9 1070 et seq.) before the date of enactment of
10 this Act, including—

11 (i) loans made to a parent borrower
12 on behalf of a dependent student under
13 part B or part D of such Act, if such par-
14 ent borrower is an eligible individual under
15 this Act;

16 (ii) consolidation loans made under
17 such Act; and

18 (iii) any grant treated as a loan under
19 such part D in accordance with section
20 258(e), section 420M(c), or section 807(d)
21 of such Act;

22 (B) a private education loan, as defined in
23 section 140(a) of the Truth in Lending Act (15
24 U.S.C. 1650(a)), that—

1 (i) was expressly for the cost of at-
2 tendance (as defined in section 472) at an
3 institution of higher education partici-
4 pating in a loan program under part B,
5 part D, or part E of title IV of the Higher
6 Education Act of 1965 (20 U.S.C. 1070 et
7 seq.), as of the date that the loan was dis-
8 bursed; and

9 (ii) was made before the date of en-
10 actment of this Act; and

11 (C) any loan made pursuant to title VII or
12 VIII of the Public Health Service Act (42
13 U.S.C. 292a et seq.) before the date of the en-
14 actment of this Act.

15 (4) **RECOGNIZED POSTSECONDARY CREDEN-**
16 **TIAL.**—The term “recognized postsecondary creden-
17 tial” has the meaning given such term in section 3
18 of the Workforce Innovation and Opportunity Act
19 (29 U.S.C. 3102).

20 (5) **SECRETARY.**—The term “Secretary” means
21 the Secretary of Education.