

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5287**

OFFERED BY MR. LAWSON OF FLORIDA

**[Amendment to the Fair Student Loan Debt Collection
Practices Act]**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Fair Student Loan
3 Debt Collection Practices Act”.

4 **SEC. 2. COLLECTION RESTRICTIONS WITH RESPECT TO**
5 **FEDERAL STUDENT LOANS.**

6 (a) IN GENERAL.—The Fair Debt Collection Prac-
7 tices Act (15 U.S.C. 1692 et seq.) is amended—

8 (1) by inserting after section 811 the following:

9 **“§ 811A. Collection restrictions with respect to Fed-**
10 **eral student loans**

11 “(a) PROHIBITION ON COLLECTING FROM BOR-
12 ROWERS BELOW CERTAIN INCOME GUIDELINES.—A debt
13 collector may not attempt to collect a Federal student loan
14 debt from a borrower during any period of time when a
15 similarly situated borrower would be entitled to make a

1 zero dollar payment under an income-driven repayment
2 plan.

3 “(b) LIMITATION ON AMOUNTS COLLECTED BASED
4 ON CERTAIN INCOME GUIDELINES.—During any 1-month
5 period, a debt collector may not attempt to collect from
6 a borrower an amount with respect to a Federal student
7 loan debt that exceeds the amount that a similarly situ-
8 ated borrower would be required to make for such month
9 under an income-driven repayment plan.

10 “(c) RULE OF CONSTRUCTION.—Nothing in sub-
11 section (a) or (b) may be construed to prohibit a debt col-
12 lector from—

13 “(1) establishing a repayment arrangement
14 made pursuant to section 428F of the Higher Edu-
15 cation Act of 1965 (20 U.S.C. 1078–6);

16 “(2) collecting or attempting to collect a pay-
17 ment from a defaulted borrower owed pursuant to
18 an arrangement described in paragraph (1); or

19 “(3) accepting a voluntary payment of any
20 amount from a borrower.

21 “(d) CERTIFICATION BEFORE ACCEPTING PAY-
22 MENT.—A debt collector may not accept any payment with
23 respect to a Federal student loan debt unless the debt col-
24 lector first certifies to the borrower that the borrower is
25 not eligible for any administrative discharge of such debt.

1 “(e) DEFINITIONS.—In this section:

2 “(1) DEBT COLLECTOR.—The term ‘debt col-
3 lector’—

4 “(A) has the meaning given the term
5 under section 803; and

6 “(B) means any other person that enters
7 into a contract with the Secretary of Education
8 pursuant to section 456 of the Higher Edu-
9 cation Act of 1965 (20 U.S.C. 1087f) to collect
10 on a loan made, insured, or guaranteed under
11 title IV of such Act (20 U.S.C. 1070 et seq.).

12 “(2) FEDERAL STUDENT LOAN.—The term
13 ‘Federal student loan’ means a loan made, insured,
14 or guaranteed under title IV of the Higher Edu-
15 cation Act of 1965.

16 “(3) FEDERAL STUDENT LOAN DEBT.—The
17 term ‘Federal student loan debt’ means a debt with
18 respect to a Federal student loan.

19 “(4) INCOME-DRIVEN REPAYMENT PLAN.—The
20 term ‘income-driven repayment plans’ means an in-
21 come-driven repayment plan described under section
22 493C of the Higher Education Act of 1965 (20
23 U.S.C. 1098e) made to a new borrower on or after
24 July 1, 2014.

1 “(5) SIMILARLY SITUATED BORROWER.—With
2 respect to a borrower, the term ‘similarly situated
3 borrower’ means another borrower that has the same
4 income and family size characteristics.”; and

5 (2) in the table of contents for such Act, by in-
6 serting after the item relating to section 811 the fol-
7 lowing:

 “811A. Collection restrictions with respect to Federal student loans.”.

8 (b) DEBT WAIVER REQUIREMENTS.—Section
9 3711(g) of the title 31, United States Code, is amended
10 by adding at the end the following:

11 “(11) The Secretary of the Treasury shall, before
12 making a determination at the request of the Secretary
13 of Education under paragraph (2)(B), require the Sec-
14 retary of Education to establish regulations or procedures
15 approved by the Secretary of the Treasury—

16 “(A) to ensure that any entity awarded a con-
17 tract pursuant to section 456 of the Higher Edu-
18 cation Act of 1965 (20 U.S.C. 1087f) to collect pay-
19 ments from student loan borrowers in default com-
20 plies with the requirements of the Fair Debt Collec-
21 tion Practices Act;

22 “(B) to ensure that any entity awarded a con-
23 tract pursuant to section 456 of the Higher Edu-
24 cation Act of 1965 (20 U.S.C. 1087f) to collect pay-
25 ments from student loan borrowers in default has

1 access to the presumptive income driven repayment
2 amount for the individual borrower sufficient to
3 comply with sections 811A of the Fair Debt Collec-
4 tion Practices Act; and

5 “(C) to ensure that any use by the Secretary of
6 Education of the wage garnishment authority pursu-
7 ant to section 488A of the Higher Education Act of
8 1965 (20 U.S.C. 1095a) be limited to—

9 “(i) the collection of debts from borrowers
10 who would not otherwise be entitled to loan
11 cancellation, discharge, or forgiveness under
12 any applicable provision of the Higher Edu-
13 cation Act of 1965; and

14 “(ii) the collection of debts from borrowers
15 for amounts less than or equal to the payment
16 that would be required under an income-driven
17 repayment plan for a similarly situated bor-
18 rower (as such terms are defined, respectively,
19 under section 811A(d) of the Fair Debt Collec-
20 tion Practices Act).

21 “(12) The Secretary of the Treasury shall, upon mak-
22 ing a determination at the request of the Secretary of
23 Education under paragraph (2)(B), notify the Director of
24 the Bureau of Consumer Financial Protection of such de-
25 termination.”.

1 (c) WAIVER REVIEW AND EVALUATION.—Not later
2 than 180 days after the date of the enactment of this Act,
3 the Secretary of the Treasury shall—

4 (1) review and evaluate any determination made
5 at the request of the Secretary of Education under
6 section 3711(g)(2)(B) of title 31, United States
7 Code; and

8 (2) rescind or reissue such a determination to
9 comply with the requirements established by para-
10 graph (11) of such section, as added by subsection
11 (b).

12 (d) EFFECTIVE DATE OF DEBT COLLECTION CON-
13 SUMER PROTECTIONS.—

14 (1) IN GENERAL.—Section 811A of the Fair
15 Debt Collection Practices Act, as added by sub-
16 section (a), shall take effect on the earlier of—

17 (A) the date on which the Director of the
18 Bureau of Consumer Financial Protection re-
19 ceives a notice pursuant to section 3711(g)(12)
20 of title 31, United States Code; or

21 (B) the end of the 365-day period begin-
22 ning on the date of enactment of this Act.

23 (2) NOTICE TO PUBLIC.—The Director of the
24 Bureau of Consumer Financial Protection shall,
25 upon receipt of a notice pursuant to section

1 3711(g)(12) of title 31, United States Code, imme-
2 diately notify the Congress and the public of the re-
3 ceipt of such notice, including through the website of
4 the Bureau.

