

**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 not be required to make
16 a payment under an income-driven repayment plan.

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

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

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

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

17 “(3) accepting a voluntary payment of any
18 amount from a borrower.

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

24 “(e) DEFINITIONS.—In this section:

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

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

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

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

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

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

24 “(5) SIMILARLY SITUATED BORROWER.—With
25 respect to a borrower, the term ‘similarly situated

1 borrower’ means another borrower that has the same
2 income and family size characteristics.”; and

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

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

6 (b) DEBT WAIVER REQUIREMENTS.—Section
7 3711(g) of the title 31, United States Code, is amended
8 by adding at the end the following:

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

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

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

1 comply with sections 811A of the Fair Debt Collec-
2 tion Practices Act; and

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

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

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

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

22 (1) review and evaluate any determination made
23 at the request of the Secretary of Education under
24 section 3711(g)(2)(B) of title 31, United States
25 Code; and

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

