

107TH CONGRESS
2D SESSION

H. R. 5091

AN ACT

To increase the amount of student loan forgiveness available to qualified teachers, and for other purposes.

107TH CONGRESS
2^D SESSION

H. R. 5091

AN ACT

To increase the amount of student loan forgiveness available to qualified teachers, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Canceling Loans to
3 Allow School Systems to Attract Classroom Teachers
4 Act”.

5 **SEC. 2. ADDITIONAL QUALIFIED LOAN AMOUNTS FOR STU-**
6 **DENT LOAN FORGIVENESS.**

7 (a) FFEL LOANS.—Section 428J(c) of the Higher
8 Education Act of 1965 (20 U.S.C. 1078–10(c)) is amend-
9 ed by adding at the end the following new paragraph:

10 “(3) ADDITIONAL AMOUNTS; PRIORITY.—

11 “(A) LARGER AMOUNTS FROM APPRO-
12 PRIATED FUNDS.—Notwithstanding the amount
13 specified in paragraph (1), the aggregate
14 amount that the Secretary may, from funds ap-
15 propriated under subparagraph (C), repay
16 under this section is a total amount equal to
17 not more than \$17,500.

18 “(B) AWARD BASIS; PRIORITY.—The Sec-
19 retary shall make payments under this para-
20 graph to elementary or secondary school teach-
21 ers who meet the requirements of subsection (b)
22 on a first-come first-served basis, subject to the
23 availability of appropriations, but shall give pri-
24 ority in providing loan repayment under this
25 paragraph for a fiscal year to teachers who—

1 “(i)(I) are employed as special edu-
2 cation teachers whose primary responsi-
3 bility is to teach or support children with
4 disabilities (as defined in section 602 of
5 the Individuals with Disabilities Act); and

6 “(II) as certified by the chief adminis-
7 trative officer of the public or nonprofit
8 private elementary or secondary school in
9 which the borrower is employed, are teach-
10 ing children with disabilities that cor-
11 respond with the borrower’s training and
12 have demonstrated knowledge and teaching
13 skills in the content areas of the elemen-
14 tary or secondary school curriculum that
15 the borrower is teaching;

16 “(ii) are employed as teachers in local
17 educational agencies that are determined
18 by a State educational agency under sec-
19 tion 2141 of the Elementary and Sec-
20 ondary Education Act of 1965 to have
21 failed to make progress toward meeting the
22 annual measurable objectives described in
23 section 1119(a)(2) of such Act for 2 con-
24 secutive years; or

1 “(iii) are employed as teachers of
2 mathematics or science.

3 “(C) AUTHORIZATION OF APPROPRIA-
4 TIONS.—There are authorized to be appro-
5 priated to carry out this paragraph such sums
6 as may be necessary for fiscal year 2003 and
7 for each of the 4 succeeding fiscal years.”.

8 (b) DIRECT LOANS.—Section 460(c) of the Higher
9 Education Act of 1965 (20 U.S.C. 1087j(c)) is amended
10 by adding at the end the following new paragraph:

11 “(3) ADDITIONAL AMOUNTS; PRIORITY.—

12 “(A) LARGER AMOUNTS FROM APPRO-
13 PRIATED FUNDS.—Notwithstanding the amount
14 specified in paragraph (1), the aggregate
15 amount that the Secretary may, from funds ap-
16 propriated under subparagraph (C), repay
17 under this section is a total amount equal to
18 not more than \$17,500.

19 “(B) AWARD BASIS; PRIORITY.—The Sec-
20 retary shall make payments under this para-
21 graph to elementary or secondary school teach-
22 ers who meet the requirements of subsection (b)
23 on a first-come first-served basis, subject to the
24 availability of appropriations, but shall give pri-

1 ority in providing loan repayment under this
2 paragraph for a fiscal year to teachers who—

3 “(i)(I) are employed as special edu-
4 cation teachers whose primary responsi-
5 bility is to teach or support children with
6 disabilities (as defined in section 602 of
7 the Individuals with Disabilities Act); and

8 “(II) as certified by the chief adminis-
9 trative officer of the public or nonprofit
10 private elementary or secondary school in
11 which the borrower is employed, are teach-
12 ing children with disabilities that cor-
13 respond with the borrower’s training and
14 have demonstrated knowledge and teaching
15 skills in the content areas of the elemen-
16 tary or secondary school curriculum that
17 the borrower is teaching;

18 “(ii) are employed as teachers in local
19 educational agencies that are determined
20 by a State educational agency under sec-
21 tion 2141 of the Elementary and Sec-
22 ondary Education Act of 1965 to have
23 failed to make progress toward meeting the
24 annual measurable objectives described in

1 section 1119(a)(2) of such Act for 2 con-
2 secutive years; or

3 “(iii) are employed as teachers of
4 mathematics or science.

5 “(C) AUTHORIZATION OF APPROPRIA-
6 TIONS.—There are authorized to be appro-
7 priated to carry out this paragraph such sums
8 as may be necessary for fiscal year 2003 and
9 for each of the 4 succeeding fiscal years.”.

10 **SEC. 3. CANCELLATION OF STUDENT LOAN INDEBTEDNESS**

11 **FOR SPOUSES, SURVIVING JOINT DEBTORS,**
12 **AND PARENTS.**

13 (a) DEFINITIONS.—For purposes of this section:

14 (1) ELIGIBLE PUBLIC SERVANT.—The term “el-
15 igible public servant” means an individual who—

16 (A) served as a police officer, firefighter,
17 other safety or rescue personnel, or as a mem-
18 ber of the Armed Forces; and

19 (B) died (or dies) or became (or becomes)
20 permanently and totally disabled due to injuries
21 suffered in the terrorist attack on September
22 11, 2001;

23 as determined in accordance with regulations of the
24 Secretary.

1 (2) ELIGIBLE VICTIM.—The term “eligible vic-
2 tim” means an individual who died (or dies) or be-
3 came (or becomes) permanently and totally disabled
4 due to injuries suffered in the terrorist attack on
5 September 11, 2001, as determined in accordance
6 with regulations of the Secretary.

7 (3) ELIGIBLE SPOUSE.—The term “eligible
8 spouse” means the spouse of an eligible public serv-
9 ant, as determined in accordance with regulations of
10 the Secretary.

11 (4) ELIGIBLE SURVIVING DEBTOR.—The term
12 “eligible surviving debtor” means an individual who
13 owes a Federal student loan that is a consolidation
14 loan that was used, jointly by that individual and an
15 eligible victim, to repay the Federal student loans of
16 that individual and of such eligible victim.

17 (5) ELIGIBLE PARENT.—The term “eligible
18 parent” means the parent of an eligible victim if—

19 “(A) the parent owes a Federal student
20 loan that is a consolidation loan that was used
21 to repay a PLUS loan incurred on behalf of
22 such eligible victim; or

23 “(B) the parent owes a Federal student
24 loan that is a PLUS loan incurred on behalf of
25 an eligible victim who became (or becomes) per-

1 manently and totally disabled due to injuries
2 suffered in the terrorist attack on September
3 11, 2001.

4 (6) SECRETARY.—The term “Secretary” means
5 the Secretary of Education.

6 (7) FEDERAL STUDENT LOAN.—The term
7 “Federal student loan” means any loan made, in-
8 sured, or guaranteed under part B, D, or E of title
9 IV of the Higher Education Act of 1965.

10 (b) RELIEF FROM INDEBTEDNESS.—

11 (1) IN GENERAL.—The Secretary shall provide
12 for the discharge or cancellation of—

13 (A) the Federal student loan indebtedness
14 of an eligible spouse;

15 (B) the consolidation loan indebtedness of
16 an eligible surviving debtor;

17 (C) the portion of the consolidation loan
18 indebtedness of an eligible parent that was in-
19 curred on behalf of an eligible victim, if the
20 amount of such indebtedness with respect to
21 such eligible victim may be reliably determined
22 on the basis of records available to the lender;
23 and

1 (D) the PLUS loan indebtedness of an eli-
2 gible parent that was incurred on behalf of an
3 eligible victim described in subsection (a)(5)(B).

4 (2) METHOD OF DISCHARGE OR CANCELLA-
5 TION.—A loan required to be discharged or canceled
6 under paragraph (1) shall be discharged or canceled
7 by the method used under section 437(a), 455(a)(1),
8 or 464(c)(1)(F) of the Higher Education Act of
9 1965 (20 U.S.C. 1087(a), 1087e(a)(1),
10 1087dd(c)(1)(F)), whichever is applicable to such
11 loan.

12 (c) FACILITATION OF CLAIMS.—The Secretary
13 shall—

14 (1) establish procedures for the filing of appli-
15 cations for discharge or cancellation under this sec-
16 tion by regulations that shall be prescribed and pub-
17 lished within 90 days after the date of enactment of
18 this Act and without regard to the requirements of
19 section 553 of title 5, United States Code; and

20 (2) take such actions as may be necessary to
21 publicize the availability of discharge or cancellation
22 of Federal student loan indebtedness for eligible
23 spouses, eligible surviving debtors, and eligible par-
24 ents under this section.

1 (d) AVAILABILITY OF FUNDS FOR PAYMENTS.—
2 Funds available for the purposes of making payments to
3 lenders in accordance with section 437(a) for the dis-
4 charge of indebtedness of deceased or disabled individuals
5 shall be available for making payments under section
6 437(a) to lenders of loans to the eligible spouses, eligible
7 surviving debtors, and eligible parents as required by this
8 section.

9 (e) APPLICABLE TO OUTSTANDING DEBT.—The pro-
10 visions of this section shall be applied to discharge or can-
11 cel only Federal student loans (including consolidation
12 loans) on which amounts were owed on September 11,
13 2001.

14 **SEC. 4. INFORMATION ON BENEFITS TO RURAL SCHOOL**
15 **DISTRICTS.**

16 The Secretary shall—

17 (1) notify local educational agencies eligible to
18 participate in the Small Rural Achievement Program
19 authorized under subpart 1 of part B of Title VI of
20 the Elementary and Secondary Education of 1965 of
21 the benefits available under the amendments made
22 by section 2 of this Act to the teachers in the rural
23 schools of such agencies; and

- 1 (2) encourage such agencies to notify their
2 teachers of such benefits.

Passed the House of Representatives October 1,
2002.

Attest:

Clerk.