

115TH CONGRESS
1ST SESSION

H. R. 3554

To amend the Higher Education Act of 1965 to provide for the automatic recertification of income for income-driven repayment plans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2017

Ms. BONAMICI (for herself, Mr. COSTELLO of Pennsylvania, Mr. MOULTON, and Mr. MEEHAN) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Higher Education Act of 1965 to provide for the automatic recertification of income for income-driven repayment plans, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Streamlining Income-
5 driven, Manageable Payments on Loans for Education
6 Act” or the “SIMPLE Act”.

1 **SEC. 2. AUTOMATIC INCOME MONITORING PROCEDURES**
2 **AFTER A TOTAL AND PERMANENT DIS-**
3 **ABILITY DISCHARGE.**

4 Section 437(a) of the Higher Education Act of 1965
5 (20 U.S.C. 1087(a)) is amended by adding at the end the
6 following:

7 “(3) AUTOMATIC INCOME MONITORING.—

8 “(A) IN GENERAL.—Not later than 2 years
9 after the date of enactment of the Streamlining
10 Income-driven, Manageable Payments on Loans
11 for Education Act, the Secretary shall establish
12 and implement, with respect to any borrower
13 described in subparagraph (B), procedures to—

14 “(i) obtain (for each year of the in-
15 come-monitoring period described in sub-
16 paragraph (B) and without further action
17 by the borrower) such information as is
18 reasonably necessary regarding the income
19 of such borrower (and the borrower’s
20 spouse, if applicable) for the purpose of de-
21 termining the borrower’s continued eligi-
22 bility for the loan discharge described in
23 subparagraph (B) for such year, and any
24 other information necessary to determine
25 such continued eligibility of the borrower
26 for such year, except that—

1 “(I) in the case of a borrower
2 whose returns and return information
3 indicate that the borrower has no
4 earned income for any year of such
5 income-monitoring period, such bor-
6 rower shall be treated as not having
7 earned income in excess of the poverty
8 line for such year; and

9 “(II) this clause shall be subject
10 to clause (ii);

11 “(ii) allow the borrower, at any time,
12 to opt out of clause (i) and prevent the
13 Secretary from obtaining information
14 under such clause without further action
15 by the borrower; and

16 “(iii) provide the borrower with an op-
17 portunity to update the information ob-
18 tained under clause (i) before the deter-
19 mination of the borrower’s continued eligi-
20 bility for such loan discharge for such
21 year.

22 “(B) APPLICABILITY.—Subparagraph (A)
23 shall apply—

24 “(i) to each borrower of a covered
25 loan (defined in section 455(d)(8)) that is

1 discharged under this subsection or section
2 464(c)(1)(F) due to the permanent and
3 total disability of the borrower; and

4 “(ii) during the income-monitoring pe-
5 riod under this subsection, defined in this
6 paragraph as the period—

7 “(I) beginning on the date on
8 which such loan is so discharged; and

9 “(II) during which the Secretary
10 determines whether a reinstatement of
11 the obligation of, and resumption of
12 collection on, such loan may be nec-
13 essary.

14 “(C) AVAILABILITY OF RETURNS AND RE-
15 TURN INFORMATION.—Returns and return in-
16 formation may be obtained under subparagraph
17 (A)(i) only to the extent authorized by section
18 6103(l)(13) of the Internal Revenue Code of
19 1986.

20 “(D) DEFINITION.—In this paragraph, the
21 term ‘returns and return information’ has the
22 meaning given the term in section 6103 of the
23 Internal Revenue Code of 1986.”.

1 **SEC. 3. NOTIFICATION AND AUTOMATIC ENROLLMENT**
2 **PROCEDURES FOR BORROWERS WHO ARE**
3 **DELINQUENT ON LOANS AND FOR BOR-**
4 **ROWERS WHO REHABILITATED DEFAULTED**
5 **LOANS.**

6 (a) AMENDMENTS.—

7 (1) NOTIFICATION AND AUTOMATIC ENROLL-
8 MENT PROCEDURES.—Section 455(d) of the Higher
9 Education Act of 1965 (20 U.S.C. 1087e(d)) is
10 amended by adding at the end the following:

11 “(6) NOTIFICATION AND AUTOMATIC ENROLL-
12 MENT PROCEDURES FOR BORROWERS WHO ARE DE-
13 LINQUENT ON LOANS.—

14 “(A) AUTHORITY TO OBTAIN INCOME IN-
15 FORMATION.—

16 “(i) IN GENERAL.—In the case of any
17 borrower who is at least 60 days delin-
18 quent on a covered loan, the Secretary may
19 obtain such information as is reasonably
20 necessary regarding the income and family
21 size of the borrower (and the borrower’s
22 spouse, if applicable).

23 “(ii) AVAILABILITY OF RETURNS AND
24 RETURN INFORMATION.—Returns and re-
25 turn information (as defined in section
26 6103 of the Internal Revenue Code of

1 1986) may be obtained under this subpara-
2 graph only to the extent authorized by sec-
3 tion 6103(l)(13) of such Code.

4 “(B) BORROWER NOTIFICATION.—With re-
5 spect to each borrower of a covered loan who is
6 at least 60 days delinquent on such loan and
7 who has not been subject to the procedures
8 under this paragraph for such loan in the pre-
9 ceding 120 days, the Secretary shall, as soon as
10 practicable after such 60-day delinquency, pro-
11 vide to the borrower the following:

12 “(i) Notification that the borrower is
13 at least 60 days delinquent on at least 1
14 covered loan, and a description of all delin-
15 quent covered loans, nondelinquent covered
16 loans, and noncovered loans of the bor-
17 rower.

18 “(ii) A brief description of the repay-
19 ment plans for which the borrower is eligi-
20 ble and the covered loans and noncovered
21 loans of the borrower that may be eligible
22 for such plans, based on information avail-
23 able to the Secretary.

24 “(iii) Clear and simple instructions on
25 how to select the repayment plans.

1 “(iv) The amount of monthly pay-
2 ments for the covered and noncovered
3 loans under the repayment plans for which
4 the borrower is eligible, based on informa-
5 tion available to the Secretary, including, if
6 the income information of the borrower is
7 available to the Secretary under subpara-
8 graph (A)—

9 “(I) the amount of the monthly
10 payment under each income-driven re-
11 payment plan for which the borrower
12 is eligible for the borrower’s covered
13 and noncovered loans, based on such
14 income information; and

15 “(II) the income, family size, tax
16 filing status, and tax year information
17 on which each monthly payment is
18 based.

19 “(v) An explanation that in the case
20 of a borrower for whom adjusted gross in-
21 come is unavailable—

22 “(I) if the borrower selects to
23 repay the covered loans of such bor-
24 rower pursuant to an income-driven
25 repayment plan that defines discre-

1 tionary income in such a manner that
2 an individual not required under sec-
3 tion 6012(a)(1) of the Internal Rev-
4 enue Code of 1986 to file a return
5 with respect to income taxes imposed
6 by subtitle A of such Code may have
7 a calculated monthly payment greater
8 than \$0, the borrower will be required
9 to provide the Secretary with other
10 documentation of income satisfactory
11 to the Secretary, which documentation
12 the Secretary may use to determine
13 an appropriate repayment schedule;
14 and

15 “(II) if the borrower selects to
16 repay such loans pursuant to an in-
17 come-driven repayment plan that is
18 not described in subclause (I), the
19 borrower will not be required to pro-
20 vide the Secretary with such other
21 documentation of income, and the bor-
22 rower will have a calculated monthly
23 payment of \$0.

24 “(vi) An explanation that the Sec-
25 retary shall take the actions under sub-

1 paragraph (C) with respect to such bor-
2 rower, if—

3 “(I) the borrower is 120 days de-
4 linquent on one or more covered loans
5 and has not selected a new repayment
6 plan for the covered loans of the bor-
7 rower; and

8 “(II) in the case of such a bor-
9 rower whose repayment plan for the
10 covered loans of the borrower is not
11 an income-driven repayment plan, the
12 monthly payments under such repay-
13 ment plan are higher than such
14 monthly payments would be under an
15 income-driven repayment plan for
16 such loans.

17 “(vii) Instructions on updating the in-
18 formation of the borrower obtained under
19 subparagraph (A).

20 “(C) SECRETARY’S INITIAL SELECTION OF
21 PLAN.—With respect to each borrower de-
22 scribed in subparagraph (B) who has a repay-
23 ment plan for the covered loans of the borrower
24 that meets the requirements of clause (vi)(II) of
25 subparagraph (B) and has not selected a new

1 repayment plan for such loans in accordance
2 with the notice received under such subpara-
3 graph, and who is at least 120 days delinquent
4 on such a loan, the Secretary shall, as soon as
5 practicable—

6 “(i) in a case in which any of the bor-
7 rower’s covered loans are eligible for an in-
8 come-driven repayment plan—

9 “(I)(aa) provide the borrower
10 with the income-driven repayment
11 plan that requires the lowest monthly
12 payment amount for each covered loan
13 of the borrower, compared to any
14 other such plan for which the bor-
15 rower is eligible; or

16 “(bb) if more than one income-
17 driven repayment plan would offer the
18 borrower the same lowest monthly
19 payment amount, provide the bor-
20 rower with the income-driven repay-
21 ment plan that has the most favorable
22 terms for the borrower;

23 “(II) if the plan selected under
24 subclause (I) is not the income-driven
25 repayment plan that would have the

1 lowest monthly payment amount if the
2 borrower were eligible for such plan
3 for the borrower's covered loans and
4 noncovered loans, notify the borrower
5 of the actions, if any, the borrower
6 may take to become eligible for such
7 income-driven repayment plan; and

8 “(III) authorize the borrower to
9 change the Secretary's selection of a
10 plan under this clause to any plan de-
11 scribed in paragraph (1) for which the
12 borrower is eligible; and

13 “(ii) in a case in which none of the
14 borrower's covered loans are eligible for an
15 income-driven repayment plan, notify the
16 borrower of the actions, if any, the bor-
17 rower may take for such loans to become
18 eligible for such a plan.

19 “(D) SECRETARY'S ADDITIONAL SELEC-
20 TION OF PLAN.—

21 “(i) IN GENERAL.—With respect to
22 each borrower of a covered loan who se-
23 lects a new repayment plan in accordance
24 with the notice received under subpara-
25 graph (B) and who continues to be delin-

1 quent on such loan for a period described
2 in clause (ii), the Secretary shall, as soon
3 as practicable after such period, carry out
4 the procedures described in clauses (i) and
5 (ii) of subparagraph (C) for the covered
6 loans of the borrower, if such procedures
7 would result in lower monthly repayment
8 amounts on such loan.

9 “(ii) DESCRIPTION OF PERIOD.—The
10 duration of the period described in clause
11 (i) shall be the amount of time that the
12 Secretary determines is sufficient to indi-
13 cate that the borrower may benefit from
14 repaying such loan under a new repayment
15 plan, but in no case shall such period be
16 less than 60 days.

17 “(E) OPT-OUT.—A borrower of a covered
18 loan shall have the right to opt out of the pro-
19 cedures under this paragraph.

20 “(F) PROCEDURES.—The Secretary shall
21 establish procedures as are necessary to effec-
22 tively implement this paragraph.

23 “(7) NOTIFICATION AND AUTOMATIC ENROLL-
24 MENT PROCEDURES FOR BORROWERS WHO ARE RE-
25 HABILITATING DEFAULTED LOANS.—

1 “(A) AUTHORITY TO OBTAIN INCOME IN-
2 FORMATION.—

3 “(i) IN GENERAL.—In the case of any
4 borrower who is rehabilitating a covered
5 loan pursuant to section 428F(a), the Sec-
6 retary may obtain such information as is
7 reasonably necessary regarding the income
8 and family size of the borrower (and the
9 borrower’s spouse, if applicable).

10 “(ii) AVAILABILITY OF RETURNS AND
11 RETURN INFORMATION.—Returns and re-
12 turn information (as defined in section
13 6103 of the Internal Revenue Code of
14 1986) may be obtained under this subpara-
15 graph only to the extent authorized by sec-
16 tion 6103(l)(13) of such Code.

17 “(B) BORROWER NOTIFICATION.—Not
18 later than 30 days after a borrower makes the
19 6th payment required for the loan rehabilitation
20 described in subparagraph (A), the Secretary
21 shall notify the borrower of the process under
22 subparagraph (C) with respect to such loan.

23 “(C) SECRETARY’S SELECTION OF PLAN.—
24 With respect to each borrower who has made
25 the 9th payment required for the loan rehabili-

1 tation described in subparagraph (A), the Sec-
2 retary shall, as soon as practicable after such
3 payment—

4 “(i) in a case in which any of the bor-
5 rower’s covered loans, without regard to
6 whether the loan has been so rehabilitated,
7 is eligible for an income-driven repayment
8 plan—

9 “(I)(aa) provide the borrower
10 with the income-driven repayment
11 plan that requires the lowest monthly
12 payment amount for each covered loan
13 of the borrower, compared to any
14 other such plan for which the bor-
15 rower is eligible; or

16 “(bb) if more than one income-
17 driven repayment plan would offer the
18 borrower the same lowest monthly
19 payment amount, provide the bor-
20 rower with the income-driven repay-
21 ment plan that has the most favorable
22 terms for the borrower; and

23 “(II) if the plan selected under
24 subclause (I) is not the income-driven
25 repayment plan that would have the

1 lowest monthly payment amount if the
2 borrower were eligible for such plan
3 for the borrower's covered loans and
4 noncovered loans, notify the borrower
5 of the actions, if any, the borrower
6 may take to become eligible for such
7 income-driven repayment plan; and

8 “(ii) in a case in which none of the
9 borrower's covered loans are eligible for an
10 income-driven repayment plan, notify the
11 borrower of the actions, if any, the bor-
12 rower may take for such a loan to become
13 eligible for such a plan.

14 “(D) OPT-OUT.—A borrower of a covered
15 loan shall have the right to opt out of the pro-
16 cedures under this paragraph.

17 “(E) PROCEDURES.—The Secretary shall
18 establish procedures as are necessary to effec-
19 tively implement this paragraph.”.

20 (2) DEFINITIONS.—Section 455(d) of the High-
21 er Education Act of 1965 (20 U.S.C. 1087e(d)), as
22 amended by paragraph (1), is further amended by
23 adding at the end the following:

24 “(8) DEFINITIONS.—In this subsection:

1 “(A) COVERED LOAN.—The term ‘covered
2 loan’ means—

3 “(i) a loan made under this part;

4 “(ii) a loan purchased under section
5 459A; or

6 “(iii) a loan that has been assigned to
7 the Secretary under section 428(c)(8) or
8 part E.

9 “(B) INCOME-DRIVEN REPAYMENT
10 PLAN.—The term ‘income-driven repayment
11 plan’ means a plan described in subparagraph
12 (D) or (E) of paragraph (1).

13 “(C) NONCOVERED LOAN.—The term
14 ‘noncovered loan’ means a loan made, insured,
15 or guaranteed under this title that is not a cov-
16 ered loan.”.

17 (3) CHANGING PLANS.—Section 493C(b)(8) of
18 the Higher Education Act of 1965 (20 U.S.C.
19 1098e(b)(8)) is amended to read as follows:

20 “(8) a borrower who is repaying a loan made,
21 insured, or guaranteed under part B or D pursuant
22 to income-based repayment may elect, at any time,
23 to terminate repayment pursuant to income-based
24 repayment and repay such loan under any repay-
25 ment plan for which the loan is eligible in accord-

1 ance with the requirements of part B or part D, re-
 2 spectively; and”.

3 (b) EFFECTIVE DATE; APPLICATION.—

4 (1) AUTOMATIC ENROLLMENT.—The amend-
 5 ments made by paragraphs (1) and (2) of subsection
 6 (a) shall—

7 (A) take effect as soon as the Secretary of
 8 Education determines practicable after the Sec-
 9 retary finalizes the procedures under section 5,
 10 but not later than 2 years after the date of en-
 11 actment of this Act; and

12 (B) apply to all borrowers of covered loans
 13 (as defined in section 455(d)(8) of the Higher
 14 Education Act of 1965, as added by subsection
 15 (a)).

16 (2) CHANGING PLANS.—The amendment made
 17 by subsection (a)(3) shall take effect on the date of
 18 enactment of this Act.

19 **SEC. 4. AUTOMATIC RECERTIFICATION OF INCOME.**

20 (a) INCOME CONTINGENT REPAYMENT.—Section
 21 455(e) of the Higher Education Act of 1965 (20 U.S.C.
 22 1087e(e)) is amended—

23 (1) in paragraph (3)—

24 (A) by striking “does not reasonably re-
 25 flect the borrower’s current income” and insert-

1 ing “whose income has decreased relative to the
2 adjusted gross income available to the Sec-
3 retary”; and

4 (B) by inserting “, consistent with the pro-
5 cedures established under paragraph
6 (8)(B)(iv)” before the period at the end; and
7 (2) by adding at the end the following:

8 “(8) AUTOMATIC RECERTIFICATION.—

9 “(A) DEFINITION.—In this paragraph, the
10 term ‘covered loan’ has the meaning given the
11 term in subsection (d)(8).

12 “(B) IN GENERAL.—Beginning as soon as
13 the Secretary determines practicable after the
14 Secretary finalizes the procedures under section
15 5 of the Streamlining Income-driven, Manage-
16 able Payments on Loans for Education Act, but
17 not later than 2 years after the date of enact-
18 ment of such Act, the Secretary shall establish
19 and implement, with respect to any borrower
20 described in subparagraph (C), procedures to—

21 “(i) obtain (for each year of repay-
22 ment and without further action by the
23 borrower) such information as is reason-
24 ably necessary regarding the income of
25 such borrower (and the borrower’s spouse,

1 if applicable), for the purpose of deter-
2 mining the repayment obligation of the
3 borrower for such year, including informa-
4 tion with respect to the borrower's family
5 size in accordance with the procedures
6 under section 5 of the Streamlining In-
7 come-driven, Manageable Payments on
8 Loans for Education Act, subject to clause
9 (ii);

10 “(ii) allow the borrower, at any time,
11 to opt out of clause (i) and prevent the
12 Secretary from obtaining information
13 under such clause without further action
14 by the borrower;

15 “(iii) provide the borrower with an op-
16 portunity to update the information ob-
17 tained under clause (i) before the deter-
18 mination of the annual repayment obliga-
19 tion of the borrower; and

20 “(iv) in the case of a borrower for
21 whom adjusted gross income is unavail-
22 able—

23 “(I) if the borrower has selected
24 to repay the covered loans of such
25 borrower pursuant to an income con-

1 tingent repayment plan that defines
2 discretionary income in such a man-
3 ner that an individual not required
4 under section 6012(a)(1) of the Inter-
5 nal Revenue Code of 1986 to file a re-
6 turn with respect to income taxes im-
7 posed by subtitle A of such Code may
8 have a calculated monthly payment
9 greater than \$0, the borrower will be
10 required to provide the Secretary with
11 other documentation of income satis-
12 factory to the Secretary, which docu-
13 mentation the Secretary may use to
14 determine an appropriate repayment
15 schedule; or

16 “(II) if the borrower has selected
17 to repay such loans pursuant to an in-
18 come contingent repayment that is not
19 described in subclause (I), the bor-
20 rower will not be required to provide
21 the Secretary with such other docu-
22 mentation of income, and the bor-
23 rower will have a calculated monthly
24 payment of \$0.

1 “(C) APPLICABILITY.—Subparagraph (B)
2 shall apply to each borrower of a covered loan
3 who, on or after the date on which the Sec-
4 retary establishes procedures under such sub-
5 paragraph—

6 “(i) selects, or for whom the Secretary
7 selects under subparagraph (C) or (D) of
8 paragraph (6) or paragraph (7)(C) of sub-
9 section (d), or section 428(m)(1), an in-
10 come contingent repayment plan; or

11 “(ii) recertifies income and family size
12 under such plan.

13 “(D) AVAILABILITY OF RETURNS AND RE-
14 TURN INFORMATION.—Returns and return in-
15 formation (as defined in section 6103 of the In-
16 ternal Revenue Code of 1986) may be obtained
17 under subparagraph (B)(i) only to the extent
18 authorized by section 6103(l)(13) of such Code.

19 “(E) OTHER REQUIREMENTS.—The proce-
20 dures established by the Secretary under this
21 paragraph shall be consistent with the require-
22 ments of paragraphs (1) through (7), except as
23 otherwise provided in this paragraph.”.

1 (b) INCOME-BASED REPAYMENT.—Section 493C(c)
2 of the Higher Education Act of 1965 (20 U.S.C. 1098e(c))
3 is amended—

4 (1) by striking “The Secretary shall establish”
5 and inserting the following:

6 “(1) IN GENERAL.—The Secretary shall estab-
7 lish”;

8 (2) by striking “The Secretary shall consider”
9 and inserting the following:

10 “(2) PROCEDURES FOR ELIGIBILITY.—The Sec-
11 retary shall—

12 “(A) consider”; and

13 (3) by striking “428C(b)(1)(E).” and inserting
14 the following: “428C(b)(1)(E); and

15 “(B) beginning as soon as the Secretary
16 determines practicable after the Secretary final-
17 izes the procedures under section 5 of the
18 Streamlining Income-driven, Manageable Pay-
19 ments on Loans for Education Act, but not
20 later than 2 years after the date of enactment
21 of such Act, carry out, with respect to bor-
22 rowers of any covered loan (as defined in sec-
23 tion 455(d)(8)), procedures for income-based
24 repayment plans that are equivalent to the pro-
25 cedures carried out under section 455(e)(8)

1 with respect to income contingent repayment
2 plans.”.

3 **SEC. 5. STUDY AND PROCEDURES ON DETERMINING FAM-**
4 **ILY SIZE.**

5 (a) IN GENERAL.—Not later than 1 year after the
6 date of enactment of this Act, the Secretary of Education
7 shall—

8 (1) jointly with the Secretary of the Treasury,
9 conduct a study, which meets the specifications de-
10 scribed in subsection (b), on the effect of using data
11 from the Internal Revenue Service on the deduction
12 for personal exemptions provided by section 151 of
13 the Internal Revenue Code of 1986 for a proxy for
14 family size in an income-driven repayment plan, and
15 publish such study in the Federal Register;

16 (2) use the results of the study conducted under
17 paragraph (1) to develop procedures for determining
18 family size for the automatic recertification of in-
19 come for an income-driven repayment plan in a man-
20 ner that minimizes burdens and unintended harm to
21 borrowers;

22 (3) publish the procedures developed under
23 paragraph (2) in the Federal Register; and

1 (4) after a notice and comment period on such
2 procedures, use such comments to finalize the proce-
3 dures.

4 (b) SPECIFICATIONS.—The study conducted under
5 subsection (a)(1) shall—

6 (1) determine how closely such personal exemp-
7 tions match the family size that borrowers report on
8 their income-driven repayment plan request form;

9 (2) compare the borrower’s actual monthly pay-
10 ment amount with the monthly payment amount
11 borrowers would have using family size information
12 derived from tax returns; and

13 (3) use data from more than one year, where
14 possible, to analyze how much family size changes
15 over time.

16 (c) DEFINITION.—The term “income-driven repay-
17 ment plan” has the meaning given the term in section
18 455(d)(8) of the Higher Education Act of 1965, as
19 amended by this Act.

20 **SEC. 6. DISCLOSURE OF TAX RETURN INFORMATION TO**
21 **CARRY OUT CERTAIN HIGHER EDUCATION**
22 **LOAN PROGRAMS.**

23 (a) IN GENERAL.—Paragraph (13) of section 6103(l)
24 of the Internal Revenue Code of 1986 is amended to read
25 as follows:

1 “(13) DISCLOSURE OF RETURNS AND RETURN
2 INFORMATION FOR PURPOSES OF STUDENT LOAN
3 ADMINISTRATION.—

4 “(A) IN GENERAL.—The Secretary, subject
5 to such requirements and conditions as the Sec-
6 retary may prescribe, shall upon written request
7 from the Secretary of Education disclose to offi-
8 cers and employees of the Department of Edu-
9 cation returns and return information with re-
10 spect to a taxpayer who has received an appli-
11 cable student loan.

12 “(B) RESTRICTION ON USE OF DISCLOSED
13 INFORMATION.—Return information disclosed
14 under subparagraph (A) may be used by offi-
15 cers and employees of the Department of Edu-
16 cation only for the purposes of, and to the ex-
17 tent necessary for purposes of—

18 “(i) carrying out income monitoring
19 under section 437(a) of the Higher Edu-
20 cation Act of 1965 (20 U.S.C. 1087(a)),

21 “(ii) establishing the appropriate in-
22 come contingent repayment amount in con-
23 nection with an applicable student loan,

24 “(iii) establishing the appropriate re-
25 payment amount under an applicable in-

1 come-driven repayment plan (as defined in
2 section 455(d)(8) of such Act (20 U.S.C.
3 1087e(d))) in connection with an applica-
4 ble student loan for—

5 “(I) borrowers who have selected
6 such a plan, and

7 “(II) in the case of any recertifi-
8 cation under section 455(e)(8) or
9 493C(c)(2)(B) of the Higher Edu-
10 cation Act of 1965 (20 U.S.C.
11 1087e(e); 1098e(c)), borrowers who
12 are enrolled in such a plan,

13 “(iv) in the case of borrowers who are
14 at least 60 days delinquent on an applica-
15 ble student loan—

16 “(I) providing notice of eligibility
17 for an income-driven repayment plan
18 (as so defined) pursuant to section
19 455(d)(6)(B) of the Higher Education
20 Act of 1965 (20 U.S.C. 1087e(d)),
21 and

22 “(II) automatic enrollment in
23 such an income-driven repayment plan
24 after such borrowers are at least 120
25 days delinquent on such a loan pursu-

1 ant to section 455(d)(6)(C) of such
2 Act (20 U.S.C. 1087e(d)), and

3 “(v) in the case of borrowers who are
4 rehabilitating defaulted loans, providing
5 notice of eligibility for an income-driven re-
6 payment plan (as so defined) and auto-
7 matic enrollment in such a plan pursuant
8 to section 455(d)(7) of the Higher Edu-
9 cation Act of 1965 (20 U.S.C. 1087e(d)).

10 “(C) DISCLOSURE TO CERTAIN CONTRAC-
11 TORS.—Officers and employees of the Depart-
12 ment of Education may disclose the information
13 described in subparagraph (A) to persons
14 awarded contracts by the Secretary of Edu-
15 cation under section 456 of the Higher Edu-
16 cation Act of 1965 (20 U.S.C. 1087f) to the ex-
17 tent necessary for the purposes described in
18 subparagraph (B).

19 “(D) SPOUSAL INFORMATION FOR MAR-
20 RIED INDIVIDUALS FILING SEPARATE RE-
21 TURNS.—For purposes of this paragraph, in the
22 case of a married individual filing a separate re-
23 turn, the term ‘taxpayer’ includes the spouse of
24 that individual if the Secretary of Education re-
25 quests information from the spouse of that indi-

vidual and the individual and the spouse have
consented in writing.

“(E) APPLICABLE STUDENT LOAN.—

“(i) IN GENERAL.—For purposes of
this paragraph, the term ‘applicable stu-
dent loan’ means—

“(I) any loan which is made, in-
sured, or guaranteed under a program
authorized under part B or D of title
IV of the Higher Education Act of
1965 (20 U.S.C. 1071 et seq.; 1087a
et seq.), and

“(II) any loan which is made
under part E of such title IV (20
U.S.C. 1087aa et seq.) which is in de-
fault and has been assigned to the
Department of Education.

“(ii) EXCEPTION.—For purposes of
subparagraph (B)(iv), the term ‘applicable
student loan’ shall not include any loan
made, insured, or guaranteed under part B
of title IV of the Higher Education Act of
1965 (20 U.S.C. 1071 et seq.) unless such
loan is in default and has been assigned to
the Department of Education.”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 6103(a)(3) of such Code is amended
3 by inserting “(13),” after “(12),”.

4 (2) Section 6103(p)(4) of such Code is amend-
5 ed by inserting “(13),” after “(l)(10),” each place it
6 occurs.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to disclosures made after the date
9 of enactment of this Act.

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