

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**S.** \_\_\_\_\_

To increase students' and borrowers' access to student loan information within the National Student Loan Data System, and to encourage improved outreach to and communication with borrowers.

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IN THE SENATE OF THE UNITED STATES

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\_\_\_\_\_ introduced the following bill; which was read twice  
and referred to the Committee on \_\_\_\_\_

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## **A BILL**

To increase students' and borrowers' access to student loan information within the National Student Loan Data System, and to encourage improved outreach to and communication with borrowers.

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 "Simplifying Access to  
5        Student Loan Information Act of 2014".

1 **SEC. 2. AMENDMENT TO THE TRUTH IN LENDING ACT.**

2 (a) IN GENERAL.—Section 128(e) of the Truth in  
3 Lending Act (15 U.S.C. 1638(e)) is amended by adding  
4 at the end the following:

5 “(12) NATIONAL STUDENT LOAN DATA SYS-  
6 TEM.—

7 “(A) IN GENERAL.—Each private edu-  
8 cational lender shall—

9 “(i) submit to the Secretary of Edu-  
10 cation for inclusion in the National Stu-  
11 dent Loan Data System established under  
12 section 485B of the Higher Education Act  
13 of 1965 (20 U.S.C. 1092b) information re-  
14 garding each private education loan made  
15 by such lender that will allow for the elec-  
16 tronic exchange of data between borrowers  
17 of private education loans and the System;  
18 and

19 “(ii) in carrying out clause (i), ensure  
20 the privacy of private education loan bor-  
21 rowers.

22 “(B) INFORMATION TO BE SUBMITTED.—  
23 The information regarding private education  
24 loans required under subparagraph (A) to be  
25 included in the National Student Loan Data

1 System shall include the following if determined  
2 appropriate by the Secretary of Education:

3 “(i) The total amount and type of  
4 each such loan made, including out-  
5 standing interest and outstanding principal  
6 on such loan.

7 “(ii) The interest rate of each such  
8 loan made.

9 “(iii) Information regarding the bor-  
10 rower that the Secretary of Education de-  
11 termines is necessary to ensure the elec-  
12 tronic exchange of data between borrowers  
13 of private education loans and the System.

14 “(iv) Information, including contact  
15 information, regarding the lender that  
16 owns the loan.

17 “(v) Information, including contact in-  
18 formation, regarding the servicer that is  
19 handling the loan.

20 “(vi) Information concerning the date  
21 of any default on the loan and the collec-  
22 tion of the loan, including any information  
23 concerning the repayment status of any de-  
24 faulted loan.



1 “(i) PRIVATE EDUCATION LOANS.—

2 “(1) IN GENERAL.—The National Student  
3 Loan Data System established pursuant to sub-  
4 section (a) shall contain the information required to  
5 be included under section 128(e)(12) of the Truth in  
6 Lending Act (15 U.S.C. 1638(e)(12)).

7 “(2) COSIGNER.—Notwithstanding any other  
8 provision of law, the Secretary shall ensure that any  
9 cosigner of a private education loan for which infor-  
10 mation is included in the National Student Loan  
11 Data System—

12 “(A) is able to access the information in  
13 such System with respect to such private edu-  
14 cation loan; and

15 “(B) does not have access to any informa-  
16 tion in such System with respect to any loan for  
17 which the cosigner has not cosigned.

18 “(3) PRIVACY.—The Secretary shall ensure that  
19 a private educational lender—

20 “(A) has access to the National Student  
21 Loan Data System only to submit information  
22 for such System regarding the private education  
23 loans of such lender; and

24 “(B) may not see information in the Sys-  
25 tem regarding the loans of any other lender.

1       “(j) REPAYMENT OPTIONS.—The Secretary shall es-  
2       tablish a functionality within the National Student Loan  
3       Data System established pursuant to subsection (a) that  
4       enables a student borrower of a loan made, insured, or  
5       guaranteed under this title to input information necessary  
6       for the estimation of repayment amounts under the var-  
7       ious repayment plans available to the borrower of such  
8       loan to compare such repayment plans.”.

9       **SEC. 4. NON-TRADITIONAL OUTREACH PROGRAM.**

10       (a) PILOT PROGRAM AUTHORIZED.—

11               (1) IN GENERAL.—The Secretary of Education  
12       (referred to in this section as the “Secretary”) shall  
13       establish a 5-year pilot program to award grants, on  
14       a competitive basis, to eligible entities to establish or  
15       improve non-traditional outreach programs and ini-  
16       tiatives with the goal of—

17                       (A) reducing deferments, forbearances, and  
18       defaults on student loan repayments; and

19                       (B) establishing best practices for reducing  
20       deferments, forbearances, and defaults on stu-  
21       dent loan repayments.

22               (2) ELIGIBLE ENTITY.—Except as provided in  
23       subsection (e), in this section, the term “eligible en-  
24       tity” means—

1 (A) an institution of higher education enti-  
2 ty;

3 (B) an entity that services loans made, in-  
4 sured, or guaranteed under title IV of the  
5 Higher Education Act of 1965 (20 U.S.C. 1070  
6 et seq.); or

7 (C) a nonprofit organization that has—

8 (i) substantial experience in admin-  
9 istering student loan counseling; or

10 (ii) demonstrated success in reducing  
11 deferments, forbearances, and defaults on  
12 student loan repayments.

13 (3) RESERVATION FOR NONPROFIT  
14 SERVICERS.—From amounts made available to carry  
15 out this section, the Secretary shall reserve not less  
16 than 10 percent to award grants under paragraph  
17 (1) to eligible entities that are nonprofit student  
18 loan servicers.

19 (b) APPLICATION.—An eligible entity that desires to  
20 receive a grant under this section shall submit an applica-  
21 tion to the Secretary at such time, in such manner, and  
22 containing such information as the Secretary may require.

23 (c) ACTIVITIES.—

24 (1) IN GENERAL.—An eligible entity that re-  
25 ceives a grant under this section shall use the grant

1 funds to establish non-traditional outreach programs  
2 and initiatives that may include the following:

3 (A) New or improved pre-college loan en-  
4 trance counseling and financial literacy ses-  
5 sions.

6 (B) New or improved exit counseling for  
7 student loan borrowers.

8 (C) Train students in how to use the Na-  
9 tional Student Loan Data System established  
10 under section 485B of the Higher Education  
11 Act of 1965 (20 U.S.C. 1092b).

12 (D) At least 1 check in while a student  
13 loan borrower is enrolled in the academic pro-  
14 gram for which the student has taken out a  
15 loan (which shall occur not earlier than half  
16 way through completion of such academic pro-  
17 gram), which check in shall provide the bor-  
18 rower with an update on the borrower's student  
19 loan status and information on how the out-  
20 reach program can serve as an information re-  
21 source for the borrower.

22 (E) Annual follow ups with student loan  
23 borrowers after the borrowers are no longer en-  
24 rolled in the academic program for which the  
25 student has taken out a loan by attempting to

1 contact the borrowers by phone, email, mail, or  
2 in person and providing continued guidance and  
3 counseling and serving as an information re-  
4 source.

5 (F) Follow ups once a student loan bor-  
6 rower reaches a certain level of delinquency on  
7 repayment of such loan, as determined by the  
8 Secretary.

9 (2) PRIVATE LOANS.—An eligible entity that re-  
10 ceives a grant under this section shall work to re-  
11 duce defaults on private education loan debt.

12 (d) SUPPLEMENT NOT SUPPLANT.—An eligible enti-  
13 ty shall use grant funds received under this section only  
14 to supplement the funds that would, in the absence of such  
15 grant funds, be made available from non-Federal sources  
16 for the activities described in subsection (c), and not to  
17 supplant such funds.

18 (e) CONTINUATION OF GRANT AWARDS.—

19 (1) IN GENERAL.—If the Secretary determines  
20 that the pilot program established under this section  
21 has been successful in reducing deferments,  
22 forbearances, and defaults on student loan repay-  
23 ments, the Secretary may continue to award com-  
24 petitive grants beyond the initial pilot program pe-  
25 riod in accordance with this subsection.

1           (2) AUTHORIZATION.—The Secretary shall  
2 award grants under this subsection on a competitive  
3 basis to eligible entities described in paragraph (3)  
4 who achieve specific performance outcomes and cri-  
5 teria in reducing deferments, forbearances, and de-  
6 faults on student loan repayments. Projects funded  
7 by grants under this subsection shall be referred to  
8 as either Pay-for-Performance or Pay-for-Success  
9 projects, as set forth in paragraph (3).

10           (3) ELIGIBLE ENTITY.—To be eligible to receive  
11 a grant under this subsection, an entity shall be an  
12 entity described in subparagraph (A), (B), or (C) of  
13 subsection (a)(2) that—

14           (A) in the case of an entity seeking to  
15 carry out a Pay-for-Performance project, agrees  
16 to be reimbursed under the grant primarily on  
17 the basis of achievement of specified perform-  
18 ance outcomes and criteria established by the  
19 Secretary under paragraph (4); or

20           (B) in the case of an entity seeking to  
21 carry out a Pay-for-Success project—

22           (i) enters into a partnership with an  
23 investor, such as a philanthropic organiza-  
24 tion that provides funding for a specific  
25 project to address reducing deferments,

1                   forbearances, and defaults on student loan  
2                   repayments; and

3                   (ii) agrees to be reimbursed under the  
4                   grant only if the project achieves specified  
5                   performance outcomes and criteria estab-  
6                   lished by the Secretary under paragraph  
7                   (4).

8                   (4) PERFORMANCE OUTCOMES AND CRI-  
9                   TERIA.—Not later than 6 months after the comple-  
10                  tion of the pilot program, the Secretary shall estab-  
11                  lish and publish on the website of the Department  
12                  of Education specific performance measures, which  
13                  include performance outcomes and criteria, for the  
14                  initial qualification and reimbursement of eligible en-  
15                  tities to receive a grant under this subsection.

16                  (5) PERIOD OF AVAILABILITY FOR PAY-FOR-  
17                  SUCCESS PROJECTS.—Funds appropriated to carry  
18                  out Pay-for-Success projects under this subsection  
19                  shall, upon obligation, remain available for disburse-  
20                  ment until expended, notwithstanding section 1552  
21                  of title 31, United States Code, and, if later  
22                  deobligated, in whole or in part, be available until  
23                  expended under additional Pay-for-Success grants  
24                  under this subsection.

25                  (f) REPORTS.—

1           (1) ELIGIBLE ENTITIES.—An eligible entity  
2           that receives a grant under this section shall submit  
3           an annual report to the Secretary that describes the  
4           use of grant funds and details the results of the ac-  
5           tivities conducted with such grant funds.

6           (2) SECRETARY.—

7           (A) IN GENERAL.—The Secretary shall  
8           submit a report to Congress that details the re-  
9           sults of the program funded under this section  
10          and describes best practices in non-traditional  
11          outreach programs that reduce deferments,  
12          forbearances, and defaults on student loan re-  
13          payments.

14          (B) REPORT AVAILABLE PUBLICLY.—The  
15          Secretary shall make the report described in  
16          subparagraph (A) publicly available on the  
17          website of the Department of Education.