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(Original Signature of Member)

117TH CONGRESS  
2D SESSION

**H. R.**

To streamline and improve the Federal student loan program to protect borrowers and taxpayers, prohibit the Secretary of Education from exercising regulatory overreach and abusing its authorities granted by Congress, and extend Federal Pell Grant eligibility to certain short-term workforce development programs.

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IN THE HOUSE OF REPRESENTATIVES

Ms. FOXX (for herself, Ms. STEFANIK, and Mr. BANKS) introduced the following bill; which was referred to the Committee on

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**A BILL**

To streamline and improve the Federal student loan program to protect borrowers and taxpayers, prohibit the Secretary of Education from exercising regulatory overreach and abusing its authorities granted by Congress, and extend Federal Pell Grant eligibility to certain short-term workforce development programs.

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; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
3 “Responsible Education Assistance through Loan Re-  
4 forms Act” or the “REAL Reforms Act”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for  
6 this Act is as follows:

Sec. 1. Short title; table of contents.  
Sec. 2. References.

**TITLE I—LIMITS ON SECRETARIAL AUTHORITY**

Sec. 101. Limitation on authority of Secretary to propose or issue regulations  
and executive actions.

**TITLE II—LOAN REFORMS**

**PART A—CURRENT BORROWERS**

Sec. 201. Income-contingent and income-based repayment plans.

**PART B—LOAN REHABILITATION AND LOAN LIMITS**

Sec. 211. Loan rehabilitation.  
Sec. 212. Loan limits.

**PART C—REPAYMENT TERMS AND CONDITIONS FOR LOANS MADE ON OR  
AFTER JULY 1, 2023**

Sec. 221. Repayment terms for Federal Direct Consolidation Loans.  
Sec. 222. Repayment incentives.  
Sec. 223. Repayment plans.  
Sec. 224. Public service loan forgiveness.  
Sec. 225. Income-based repayment plan.  
Sec. 226. Deferment on loans made on or after July 1, 2023.

**PART D—ELIMINATION OF INTEREST CAPITALIZATION**

Sec. 231. Elimination of interest capitalization.

**TITLE III—WORKFORCE PELL GRANTS**

Sec. 301. Data collection and dissemination related to Workforce Pell.  
Sec. 302. Program eligibility for Workforce Pell grants.  
Sec. 304. Workforce Pell Grants.  
Sec. 305. Accrediting agency determination of eligibility requirements for the  
Workforce Pell Grants program.

1 **SEC. 2. REFERENCES.**

2 Except as otherwise expressly provided, whenever in  
3 this Act an amendment or repeal is expressed in terms  
4 of an amendment to, or repeal of, a section or other provi-  
5 sion, the reference shall be considered to be made to a  
6 section or other provision of the Higher Education Act of  
7 1965 (20 U.S.C. 1001 et seq.).

8 **TITLE I—LIMITS ON**  
9 **SECRETARIAL AUTHORITY**

10 **SEC. 101. LIMITATION ON AUTHORITY OF SECRETARY TO**  
11 **PROPOSE OR ISSUE REGULATIONS AND EX-**  
12 **ECUTIVE ACTIONS.**

13 Part G of title IV (20 U.S.C. 1088 et seq.) is amend-  
14 ed by inserting after section 492 the following:

15 **“SEC. 492A. LIMITATION ON AUTHORITY OF THE SEC-**  
16 **RETARY TO PROPOSE OR ISSUE REGULA-**  
17 **TIONS AND EXECUTIVE ACTIONS.**

18 “(a) **DRAFT REGULATIONS.**—Beginning after the  
19 date of enactment of this section, a draft regulation imple-  
20 menting this title (as described in section 492(b)(1)) that  
21 is determined by the Secretary to be economically signifi-  
22 cant shall be subject to the following requirements (re-  
23 gardless of whether negotiated rulemaking occurs):

24 “(1) The Secretary shall determine whether the  
25 draft regulation, if implemented, would result in an

1 increase in a subsidy cost resulting from a loan  
2 modification.

3 “(2) If the Secretary determines under para-  
4 graph (1) that the draft regulation would result in  
5 an increase in a subsidy cost resulting from a loan  
6 modification, then the Secretary may take no further  
7 action with respect to such regulation.

8 “(b) PROPOSED OR FINAL REGULATIONS AND EXEC-  
9 UTIVE ACTIONS.—Beginning after the date of enactment  
10 of this section, the Secretary may not issue a proposed  
11 rule, final regulation, or executive action implementing  
12 this title if the Secretary determines that the rule, regula-  
13 tion, or executive action—

14 “(1) is economically significant; and

15 “(2) would result in an increase in a subsidy  
16 cost resulting from a loan modification.

17 “(c) RELATIONSHIP TO OTHER REQUIREMENTS.—  
18 The analyses required under subsections (a) and (b) shall  
19 be in addition to any other cost analysis required under  
20 law for a regulation implementing this title, including any  
21 cost analysis that may be required pursuant to Executive  
22 Order 12866 (58 Fed. Reg. 51735; relating to regulatory  
23 planning and review), Executive Order 13563 (76 Fed.  
24 Reg. 3821; relating to improving regulation and regu-  
25 latory review), or any related or successor orders.

1       “(d) DEFINITION.—In this section, the term ‘eco-  
2       nomically significant’, when used with respect to a draft,  
3       proposed, or final regulation or executive action, means  
4       that the regulation or executive action is likely, as deter-  
5       mined by the Secretary—

6               “(1) to have an annual effect on the economy  
7       of \$100,000,000 or more; or

8               “(2) adversely to affect in a material way the  
9       economy, a sector of the economy, productivity, com-  
10      petition, jobs, the environment, public health or safe-  
11      ty, or State, local, or tribal governments or commu-  
12      nities.”.

## 13                   **TITLE II—LOAN REFORMS**

### 14                   **PART A—CURRENT BORROWERS**

#### 15       **SEC. 201. INCOME-CONTINGENT AND INCOME-BASED RE-** 16                   **PAYMENT PLANS.**

17       (a) INCOME-CONTINGENT REPAYMENT.—

18               (1) EXCESSIVE INTEREST CAP.—Section 455(e)  
19       (20 U.S.C. 1087e(e)) is amended by adding at the  
20       end the following:

21               “(9) EXCESSIVE INTEREST CAP.—The Sec-  
22       retary shall cancel any outstanding balance due on  
23       all loans made under this part (other than an ex-  
24       cepted PLUS Loan or an excepted Consolidation

1       Loan as such terms are defined in section 493C) to  
2       a borrower—

3               “(A) for whom an income contingent re-  
4               payment plan under this subsection is in effect,  
5               without regard to the period of time for which  
6               such plan has been so in effect for such bor-  
7               rower;

8               “(B) who, in the absence of this para-  
9               graph, would not yet be eligible for loan can-  
10              cellation under such plan; and

11              “(C) who has repaid, pursuant to para-  
12              graph (7)—

13                      “(i)(I) subject to subclause (II), an  
14                      amount on such loans that is equal to the  
15                      total amount of principal and interest that  
16                      the borrower would have repaid under a  
17                      standard repayment plan under section  
18                      455(d)(1)(A), based on a 10-year repay-  
19                      ment period, when the borrower entered  
20                      repayment on such loans; or

21                      “(II) in the case of a Federal Direct  
22                      Consolidation Loan, an amount on such  
23                      loan that is equal to the total amount of  
24                      principal and interest that the borrower  
25                      would have repaid under the repayment

1 schedule established for such loan under  
2 section 428C(c)(2) on the date on which  
3 such loan was made; and

4 “(ii) an amount equal to the amount  
5 of any unpaid interest that has accrued,  
6 but was not included in the calculation of  
7 the total amount principal and interest  
8 that would have been repaid under the  
9 standard repayment plan or schedule de-  
10 scribed in clause (i)—

11 “(I) during any deferment period  
12 described in clause (i) or (ii) of sec-  
13 tion 455(f)(2)(A); and

14 “(II) during any forbearance pe-  
15 riod while serving in a medical or den-  
16 tal internship or residency program as  
17 described in section  
18 428(c)(3)(A)(i)(I); and”.

19 (2) EXCESSIVE INTEREST CAP FOR DISTRESSED  
20 BORROWERS.—Section 455(e) (20 U.S.C. 1087e(e))  
21 is further amended by adding at the end the fol-  
22 lowing:

23 “(10) EXCESSIVE INTEREST CAP FOR DIS-  
24 TRESSED BORROWERS.—

1           “(A) IN GENERAL.—The Secretary shall  
2 cancel the balance of interest due (in accord-  
3 ance with subparagraph (B)) on any loan made  
4 under this part (other than an excepted PLUS  
5 or excepted consolidation loan (as defined in  
6 section 493C)) to a borrower—

7           “(i)(I) who has been in repayment for  
8 not less than a 10-year period on such  
9 loan; or

10           “(II) in the case of a Federal Direct  
11 Consolidation Loan, who has been in re-  
12 payment on such loan for not less than the  
13 repayment period under the repayment  
14 schedule established for such loan under  
15 section 428C(c)(2) on the date on which  
16 such loan was made; and

17           “(ii) whose first monthly payment on  
18 such loan pursuant to paragraph (7) that  
19 is not less than the full amount due on  
20 such loan for such month, after the date of  
21 enactment of the REAL Reforms Act, is  
22 insufficient to cover the interest that has  
23 accrued on such loan for such month, and  
24 results in higher balance of principal and  
25 interest on such loan.



1           “(B) AMOUNT OF INTEREST CANCELLA-  
2           TION.—The Secretary shall cancel the obliga-  
3           tion to repay the balance of interest due on  
4           such loan as of the time of the payment de-  
5           scribed in subparagraph (A)(ii) on such loan.”.

6           (b) INCOME-BASED REPAYMENT.—

7           (1) EXCESSIVE INTEREST CAP.—Section  
8           493C(b)(7)(B) (20 U.S.C. 1098e(b)(7)(B)) is  
9           amended—

10           (A) by redesignating clauses (i) through  
11           (v) as subclauses (I) through (V), respectively,  
12           and moving the margins accordingly;

13           (B) by striking the following:

14           “(B) for a period”; and inserting the fol-  
15           lowing:

16           “(B)(i) for a period”;

17           (C) by inserting “or” at the end of clause  
18           (i)(V), as so redesignated; and

19           (D) by adding at the end the following:

20           “(ii) in the absence of this clause,  
21           would not yet be eligible for loan cancella-  
22           tion or repayment under this paragraph,  
23           and has repaid, pursuant to clause (i)—

24           “(I)(aa) subject to item (bb), an  
25           amount on such loans that is equal to

1 the total amount of principal and in-  
2 terest that the borrower would have  
3 repaid under a standard repayment  
4 plan under section 428(b)(9)(A)(i) or  
5 section 455(d)(1)(A), based on a 10-  
6 year repayment period, when the bor-  
7 rower entered repayment on such  
8 loans; or

9 “(bb) in the case of a Federal  
10 Direct Consolidation Loan or a loan  
11 made under section 428C, an amount  
12 on such loan that is equal to the total  
13 amount of principal and interest that  
14 the borrower would have repaid under  
15 the repayment schedule established  
16 for such loan under section  
17 428C(c)(2) on the date on which such  
18 loan was made; and

19 “(II) an amount equal to the  
20 amount of any unpaid interest that  
21 has accrued, but was not included in  
22 the calculation of the total amount  
23 principal and interest that would have  
24 been repaid under the standard repay-

1                   ment plan or schedule described in  
2                   subclause (I)—

3                   “(aa) during any deferment  
4                   period described in section  
5                   427(a)(2)(C)(i)                   or  
6                   428(b)(1)(M)(i), or clause (i) or  
7                   (ii) of section 455(f)(2)(A); and

8                   “(bb) during any forbear-  
9                   ance period while serving in a  
10                  medical or dental internship or  
11                  residency program as described  
12                  in section 428(c)(3)(A)(i)(I);”.

13                  (2) CLARIFICATION OF REPAYMENT OF PART B  
14                  LOANS.—Section 493C(b) (20 U.S.C. 1098e(b)) is  
15                  further amended—

16                  (A) by striking “and” at end of paragraph  
17                  (8);

18                  (B) by striking the period at the end of  
19                  paragraph (9); and

20                  (C) by adding the end the following:

21                  “(10) in repaying under clause (ii) of para-  
22                  graph (7)(B) the outstanding balance of principal  
23                  and interest due on a loan made under part B to a  
24                  borrower who meets the requirements of such clause  
25                  (ii), or in repaying under subsection (g) the balance

1 of interest due on a loan made under part B to a  
2 borrower who meets the requirements of such sub-  
3 section (g), the Secretary shall—

4 “(A) enter into an agreement with the  
5 holder of such loan (or, if the holder acts as an  
6 eligible lender trustee for the beneficial owner  
7 of the loan, the beneficial owner of the loan) for  
8 the purpose of assuming the repayment obliga-  
9 tions of the borrower in accordance with sub-  
10 paragraph (B), except that the Secretary shall  
11 not assign to the United States the right to  
12 such loan;

13 “(B)(i) in the case of a repayment under  
14 paragraph (7)(B)(ii), assume the obligation of  
15 the borrower to repay the holder of such loan  
16 (or, if the holder acts as an eligible lender  
17 trustee for the beneficial owner of the loan, the  
18 beneficial owner of the loan) the total amount  
19 of principal and interest remaining to be repaid  
20 on such loan (after taking into account the  
21 amounts repaid by the borrower under para-  
22 graph (7)(B)(ii) and the Secretary under sub-  
23 section (g), if applicable) according to the terms  
24 and conditions, including the repayment sched-  
25 ule, that were in effect with respect to such

1 loan on the day before the Secretary assumes  
2 such obligation; or

3 “(ii) in the case of a repayment under sub-  
4 section (g), assume the obligation of the bor-  
5 rower to repay the holder of such loan (or, if  
6 the holder acts as an eligible lender trustee for  
7 the beneficial owner of the loan, the beneficial  
8 owner of the loan) the balance of interest due  
9 on such loan as of the time of the payment de-  
10 scribed in subsection (g)(1)(B) on such loan ac-  
11 cording to the terms and conditions, including  
12 the repayment schedule, that were in effect with  
13 respect to such loan on the day before the Sec-  
14 retary assumes such obligation; and

15 “(C) ensure that the holder of such loan  
16 (or, if the holder acts as an eligible lender  
17 trustee for the beneficial owner of the loan, the  
18 beneficial owner of the loan) shall, upon enter-  
19 ing into an agreement described in subpara-  
20 graph (A) with respect to a loan of a borrower,  
21 reports to consumer reporting agencies that—

22 “(i) in the case of a repayment under  
23 paragraph (7)(B)(ii), the borrower’s liabil-  
24 ity on such loan has been discharged; and

1                   “(ii) in the case of a repayment under  
2                   subsection (g), the borrower’s liability has  
3                   been discharged with respect to the bal-  
4                   ance of the interest due on such loan as of  
5                   the time of the payment described in sub-  
6                   section (g)(1)(B) on such loan.”.

7                   (3) RULES OF CONSTRUCTION.—Section 493C  
8                   (20 U.S.C. 1098e) is amended by adding at the end  
9                   the following:

10                  “(f) RULES OF CONSTRUCTION.—Nothing in sub-  
11                  section (b)(10) shall be construed to authorize the Sec-  
12                  retary to—

13                   “(1) revoke the rights to a special allowance  
14                   under section 438 of the holder (or, if the holder  
15                   acts as an eligible lender trustee for the beneficial  
16                   owner of the loan, the beneficial owner of the loan)  
17                   of the loans being repaid by the Secretary under  
18                   subsection (b)(10);

19                   “(2) prepay such loan ahead of repayment  
20                   schedule with respect to such loans described in sub-  
21                   paragraph (B) of subsection (b)(10); or

22                   “(3) use any authority or take any actions be-  
23                   yond what is authorized explicitly in subsection  
24                   (b)(10).”.

1           (4) EXCESSIVE INTEREST CAP FOR DISTRESSED  
2           BORROWERS.—Section 493C (20 U.S.C. 1098e) is  
3           further amended by adding at the end the following:

4           “(g) EXCESSIVE INTEREST CAP FOR DISTRESSED  
5           BORROWERS.—

6           “(1) IN GENERAL.—The Secretary shall repay  
7           or cancel the balance of interest due (in accordance  
8           with paragraph (2)) on any loan made under part B  
9           or D (other than an excepted PLUS or excepted  
10          consolidation loan) to a borrower—

11                  “(A)(i) who has been in repayment for not  
12                  less than a 10-year period on such loan; or

13                  “(ii) in the case of a Federal Direct Con-  
14                  solidation Loan or a consolidation loan under  
15                  section 428C, who has been in repayment on  
16                  such loan for not less than the repayment pe-  
17                  riod under the repayment schedule established  
18                  for such loan under section 428C(c)(2) on the  
19                  date on which such loan was made; and

20                  “(B) whose first monthly payment on such  
21                  loan pursuant to subsection (b)(7) that is not  
22                  less than the full amount due on such loan for  
23                  such month, after the date of enactment of the  
24                  REAL Reforms Act, is insufficient to cover the  
25                  interest that has accrued on such loan for such

1 month, and results in higher balance of prin-  
2 cipal and interest on such loan.

3 “(2) AMOUNT OF INTEREST REPAYMENT OR  
4 CANCELLATION.—The Secretary shall repay or can-  
5 cel the obligation to repay the balance of interest  
6 due on such loan as of the time of the payment de-  
7 scribed in paragraph (1)(B) on such loan.”.

8 **PART B—LOAN REHABILITATION AND LOAN**  
9 **LIMITS**

10 **SEC. 211. LOAN REHABILITATION.**

11 (a) IN GENERAL.— Section 428F(a)(5) (20 U.S.C.  
12 1078–6) is amended by striking “one time” and inserting  
13 “two times”.

14 (b) APPLICATION OF AMENDMENT.—The amendment  
15 made by this section shall apply to any borrower of a loan  
16 made, insured, or guaranteed under title IV of the Higher  
17 Education Act of 1965 before, on, or after the date of  
18 enactment of this Act.

19 **SEC. 212. LOAN LIMITS.**

20 (a) GRADUATE AND PROFESSIONAL STUDENTS.—

21 (1) AGGREGATE AND ANNUAL LIMITS.—Section  
22 455(a) (20 U.S.C. 1087e(a)) is amended—

23 (A) in paragraph (3)—

24 (i) in subparagraph (A)(ii), by insert-  
25 ing before the period at the end the fol-



1           lowing: “, except that for any period of in-  
2           struction beginning on or after July 1,  
3           2023, and subject to subparagraph (D),  
4           such maximum annual amount may not ex-  
5           ceed \$25,000”; and

6                   (ii) by adding at the end the fol-  
7           lowing:

8                   “(C) AGGREGATE LIMITS.—Subject to sub-  
9           paragraph (D), for any period of instruction be-  
10          ginning on or after July 1, 2023, the maximum  
11          aggregate amount of loans under this part that  
12          a graduate or professional student may borrow  
13          for enrollment in a program of graduate or pro-  
14          fessional education shall be \$100,000.

15                  “(D) EXCEPTION FOR CERTAIN STU-  
16          DENTS.—The annual and aggregate limits de-  
17          scribed in subparagraphs (A)(ii) and (C) for  
18          any period of instruction beginning on or after  
19          July 1, 2023, shall not apply to any student en-  
20          rolled in a program of study as of June 30,  
21          2023, or any loans made under this part to (or  
22          on behalf of) such student, during the period  
23          required for the completion of such program.”;  
24          and

1           (2) TERMINATION OF AUTHORITY TO MAKE  
2 FEDERAL DIRECT PLUS LOANS TO GRADUATE AND  
3 PROFESSIONAL STUDENTS.—Section 455(a) (20  
4 U.S.C. 1087e(a)) is further amended by adding at  
5 the end the following:

6           “(4) TERMINATION OF AUTHORITY TO MAKE  
7 FEDERAL DIRECT PLUS LOANS TO GRADUATE AND  
8 PROFESSIONAL STUDENTS.—

9           “(A) IN GENERAL.—Notwithstanding any  
10 provision of this part or part B, and except as  
11 otherwise provided in subparagraph (B), for  
12 any period of instruction beginning on or after  
13 July 1, 2023, a graduate or professional stu-  
14 dent shall not be eligible to receive a Federal  
15 Direct PLUS Loan under this part for enroll-  
16 ment in a program of graduate or professional  
17 education.

18           “(B) EXCEPTION FOR CERTAIN STU-  
19 DENTS.—This paragraph shall not apply to any  
20 student enrolled in a program of study at an el-  
21 igible institution as of June 30, 2023, or any  
22 loans made under this part to (or on behalf of)  
23 such student, during the period required for the  
24 completion of such program.”.

1 (b) INSTITUTIONALLY DETERMINED LIMITS.—Sec-  
2 tion 455(a) (20 U.S.C. 1087e(a)) is further amended by  
3 adding at the end the following:

4 “(5) INSTITUTIONALLY DETERMINED LIMITS.—

5 “(A) IN GENERAL.—Notwithstanding any  
6 other provision of this subsection, an eligible in-  
7 stitution (at the discretion of a financial aid ad-  
8 ministrator at the institution) may prorate or  
9 limit the amount of a loan any student (other  
10 than a student described in subparagraph (D))  
11 who is enrolled in a program of study for a pe-  
12 riod of instruction beginning on or after July 1,  
13 2023, at that institution, may borrow under  
14 this part for an academic year—

15 “(i) if the institution can reasonably  
16 demonstrate that student debt levels are or  
17 would be excessive for such program, based  
18 on—

19 “(I) the most recently available  
20 data from the Bureau of Labor Sta-  
21 tistics for the average starting salary  
22 in the region in which the institution  
23 is located for typical occupations pur-  
24 sued by graduates of such program;  
25 or

1                   “(II) the most recently available  
2                   data from the College Scorecard (or  
3                   successor website) on—

4                   “(aa) the median earnings  
5                   of students who complete such  
6                   program; and

7                   “(bb) the median debt owed,  
8                   and the repayment rate, on loans  
9                   made under this part, of such  
10                  students;

11                 “(ii) in a case in which the student is  
12                 enrolled on a less than full-time basis or  
13                 the student is enrolled for less than the pe-  
14                 riod of enrollment to which the annual loan  
15                 limit applies under this subsection, based  
16                 on the student’s enrollment status;

17                 “(iii) based on the credential level  
18                 (such as a degree, certificate, or other rec-  
19                 ognized educational credential) that the  
20                 student would attain upon completion of  
21                 such program; or

22                 “(iv) based on the year of the pro-  
23                 gram for which the student is seeking such  
24                 loan.

1           “(B) APPLICATION TO ALL STUDENTS.—  
2           Any proration or limiting of loan amounts  
3           under subparagraph (A) shall be applied in the  
4           same manner to all students enrolled in the in-  
5           stitution or program of study.

6           “(C) INCREASES FOR INDIVIDUAL STU-  
7           DENTS.—Upon the request of a student whose  
8           loan amount for an academic year has been  
9           prorated or limited under subparagraph (A), an  
10          eligible institution (at the discretion of the fi-  
11          nancial aid administrator at the institution)  
12          may increase such loan amount to an amount  
13          not exceeding the annual loan amount applica-  
14          ble to such student under this paragraph for  
15          such academic year if such student dem-  
16          onstrates special circumstances or exceptional  
17          need.

18          “(D) EXCEPTION FOR CERTAIN STU-  
19          DENTS.—This paragraph shall not apply to any  
20          student enrolled in a program of study at an el-  
21          igible institution as of June 30, 2023, or any  
22          loans made under this part to (or on behalf of)  
23          such student, during the period required for the  
24          completion of such program.”.

1 **PART C—REPAYMENT TERMS AND CONDITIONS**  
2 **FOR LOANS MADE ON OR AFTER JULY 1, 2023**  
3 **SEC. 221. REPAYMENT TERMS FOR FEDERAL DIRECT CON-**  
4 **SOLIDATION LOANS.**

5 Section 428C(e) (20 U.S.C. 1078–3(c)) is amended—

6 (1) in paragraph (2)(A), in the first sentence of  
7 subparagraph (A), by inserting “, including income-  
8 based repayment schedules under section 460A, in  
9 the case of Federal Direct Consolidation Loans  
10 made on or after July 1, 2023” after “income-based  
11 repayment schedules”; and

12 (2) in paragraph (3)—

13 (A) in subparagraph (A), by inserting “or  
14 an income-based repayment schedule under sec-  
15 tion 460A” after “section 493C”; and

16 (B) in subparagraph (C), by inserting “or  
17 an income-based repayment schedule under sec-  
18 tion 460A” after “section 493C”.

19 **SEC. 222. REPAYMENT INCENTIVES.**

20 (a) AMENDMENT.—Section 455(b)(9)(C) (20 U.S.C.  
21 1087e(b)(9)(C)) is amended by inserting “(which in the  
22 case of a loan for which the first disbursement of principal  
23 is made on or after July 1, 2023, may not exceed than  
24 0.25 percentage points)” after “interest rate reduction”.

25 (b) APPLICATION OF AMENDMENT.—The amendment  
26 made by this section shall not apply to any borrower who

1 is a student enrolled in a program of study at an institu-  
2 tion of higher education (as defined in section 102 of the  
3 Higher Education Act of 1965 (20 U.S.C. 1002)) as of  
4 June 30, 2023, or any loans made under part D of title  
5 IV of the Higher Education Act of 1965 (20 U.S.C. 1087a  
6 et seq.) to (or on behalf of) such student, during the pe-  
7 riod required for the completion of such program.

8 **SEC. 223. REPAYMENT PLANS.**

9 Section 455(d) (20 U.S.C. 1087e(d)) is amended by  
10 adding at the end the following:

11 “(6) REPAYMENT PLANS FOR LOANS MADE ON  
12 OR AFTER JULY 1, 2023.—

13 “(A) DESIGN AND SELECTION.—Notwith-  
14 standing paragraph (1) and except as provided  
15 in subparagraph (E), the Secretary shall offer  
16 a borrower of a loan made under this part on  
17 or after July 1, 2023, two plans for repayment  
18 of such loan, including principal and interest on  
19 the loan. The borrower shall be entitled to ac-  
20 celerate, without penalty, repayment on such  
21 loans. The borrower may choose—

22 “(i) a standard repayment plan with a  
23 fixed monthly repayment amount paid over  
24 a fixed period of time, not to exceed 10  
25 years; or

1                   “(ii) an income-based repayment plan  
2                   under section 460A.

3                   “(B) SELECTION BY SECRETARY.—If such  
4                   borrower does not select a repayment plan de-  
5                   scribed in subparagraph (A), the Secretary shall  
6                   provide the borrower with the repayment plan  
7                   described in subparagraph (A)(i).

8                   “(C) CHANGES IN SELECTION.—

9                   “(i) IN GENERAL.—Subject to clause  
10                  (ii), a borrower may change the borrower’s  
11                  selection of a repayment plan under sub-  
12                  paragraph (A), or the Secretary’s selection  
13                  of a plan for the borrower under subpara-  
14                  graph (B), as the case may be, under such  
15                  terms and conditions as may be established  
16                  by the Secretary, except that the Secretary  
17                  may not establish any terms or conditions  
18                  with respect to whether a borrower may  
19                  change the borrower’s repayment plan.  
20                  Nothing in this subsection shall prohibit  
21                  the Secretary from encouraging struggling  
22                  borrowers from enrolling in the income-  
23                  based repayment plan under section 460A.

24                  “(ii) SAME REPAYMENT PLAN RE-  
25                  QUIRED.—All loans made under this part



1                   on or after July 1, 2023, to a borrower  
2                   shall be repaid under the same repayment  
3                   plan under subparagraph (A), except that  
4                   the borrower may repay an excepted PLUS  
5                   loan or an excepted consolidation loan (as  
6                   such terms are defined in section  
7                   493C(a)) separately from other loans  
8                   made under this part to the borrower.

9                   “(D) REPAYMENT AFTER DEFAULT.—The  
10                  Secretary may require a borrower who has de-  
11                  faulted on a loan made under this part on or  
12                  after July 1, 2023, to—

13                         “(i) pay all reasonable collection costs  
14                         associated with such loan; and

15                         “(ii) repay the loan pursuant to the  
16                         income-based repayment plan under sec-  
17                         tion 460A.

18                   “(E) EXCEPTION FOR CERTAIN BOR-  
19                  ROWERS.—This paragraph shall not apply to  
20                  any borrower who is student who is enrolled in  
21                  a program of study at an institution of higher  
22                  education as of June 30, 2023, or any loans  
23                  made to (or on behalf of) such borrower, during  
24                  the period required for the completion of such  
25                  program.

1           “(F) RULE OF CONSTRUCTION.—Nothing  
2           in this paragraph shall be construed to author-  
3           ize, with respect to a borrower of loans made  
4           under this part on or after July 1, 2023—

5                   “(i) eligibility for a repayment plan  
6                   that is not described in clause (i) or (ii) of  
7                   subparagraph (A); or

8                   “(ii) the Secretary to—

9                           “(I) carry out a repayment plan  
10                           that is not described in such clause (i)  
11                           or (ii); or

12                           “(II) modify a repayment plan  
13                           that is described in such clause (i) or  
14                           (ii).”.

15 **SEC. 224. PUBLIC SERVICE LOAN FORGIVENESS.**

16           (a) AMENDMENT.—Section 455(m)(3)(A) (20 U.S.C.  
17 1087e(m)(3)(A)) is amended by inserting before the pe-  
18 riod at the end the following: “that was made before July  
19 1, 2023”.

20           (b) APPLICATION OF AMENDMENT.—The amendment  
21 made by this section shall not apply to any borrower who  
22 is a student enrolled in a program of study at an institu-  
23 tion of higher education (as defined in section 102 of the  
24 Higher Education Act of 1965 (20 U.S.C. 1002)) as of  
25 June 30, 2023, or any loans made under part D of title

1 IV of the Higher Education Act of 1965 (20 U.S.C. 1087a  
2 et seq.) to (or on behalf of) such student, during the pe-  
3 riod required for the completion of such program.

4 **SEC. 225. INCOME-BASED REPAYMENT PLAN.**

5 (a) ESTABLISHMENT OF NEW IBR.—Part D of title  
6 IV (20 U.S.C. 1087e et seq.) is further amended by add-  
7 ing at the end the following:

8 **“SEC. 460A. INCOME-BASED REPAYMENT PROGRAM.**

9 “(a) IN GENERAL.—Notwithstanding any other pro-  
10 vision of this Act, the Secretary shall carry out a program  
11 under which—

12 “(1) a borrower (other than a borrower de-  
13 scribed in section 455(d)(6)(E)) of a loan made  
14 under this part on or after July 1, 2023, may elect  
15 to have the borrower’s aggregate monthly payment  
16 for all such loans (other than an excepted PLUS  
17 Loan or excepted Consolidation Loan) made to the  
18 borrower—

19 “(A) not to exceed the result obtained by  
20 dividing by 12, 15 percent of the result ob-  
21 tained by calculating, on at least an annual  
22 basis, the amount by which—

23 “(i) the adjusted gross income of the  
24 borrower or, if the borrower is married and  
25 files a Federal income tax return jointly

1 with or separately from the borrower's  
2 spouse, the adjusted gross income of the  
3 borrower and the borrower's spouse; ex-  
4 ceeds

5 “(ii) 150 percent of the poverty line  
6 applicable to the borrower's family size as  
7 determined under section 673(2) of the  
8 Community Services Block Grant Act (42  
9 U.S.C. 9902(2)); and

10 “(B) not to be less than \$25;

11 “(2) the Secretary shall apply the borrower's  
12 monthly payment under this section first toward in-  
13 terest due on such a loan, next toward any fees due  
14 on the loan, and then toward the principal of the  
15 loan;

16 “(3) any principal due and not paid under  
17 paragraph (2) shall be deferred;

18 “(4) the amount of time the borrower makes  
19 monthly payments under paragraph (1) may exceed  
20 10 years;

21 “(5) the Secretary shall cancel any outstanding  
22 balance due on all loans made on or after July 1,  
23 2023, under this part (other than an excepted  
24 PLUS Loan or an excepted Consolidation Loan) to  
25 the borrower—

1           “(A) who, at any time, elected to partici-  
2           pate in income-based repayment under para-  
3           graph (1);

4           “(B) whose final monthly payment for  
5           such loans prior to the loan cancellation under  
6           this paragraph was made under such income-  
7           based repayment; and

8           “(C) who has repaid, pursuant to income-  
9           based repayment under paragraph (1), a stand-  
10          ard repayment plan under section  
11          455(d)(6)(A)(i), or a combination, or in the  
12          case of consolidation loans, a repayment sched-  
13          ule described in clause (i)(II)—

14                 “(i)(I) except as otherwise provided in  
15                 subclause (II), an amount on such loans  
16                 that is equal to the total amount of prin-  
17                 cipal and interest that the borrower would  
18                 have repaid under a standard repayment  
19                 plan under section 455(d)(6)(A)(i), based  
20                 on a 10-year repayment period, when the  
21                 borrower entered repayment on such loans;  
22                 or

23                 “(II) in the case of a Federal Direct  
24                 Consolidation Loan, an amount on such  
25                 loan that is equal to the total amount of

1 principal and interest that the borrower  
2 would have repaid under the repayment  
3 schedule established for such loan under  
4 section 428C(c)(2) on the date on which  
5 such loan was made; and

6 “(ii) an amount equal to the amount  
7 of any unpaid interest that has accrued,  
8 but was not included in the calculation of  
9 the total amount principal and interest  
10 that would have been repaid under the  
11 standard repayment plan or schedule de-  
12 scribed in clause (i), during any period of  
13 deferment under subparagraph (A), (B), or  
14 (F) of section 460B(b)(1); and

15 “(6) a borrower who is repaying a loan made  
16 under this part pursuant to income-based repayment  
17 under paragraph (1) may elect, at any time, to ter-  
18minate repayment pursuant to such income-based  
19 repayment and repay such loan under the standard  
20 repayment plan.

21 “(b) ELIGIBILITY DETERMINATIONS.—The Secretary  
22 shall establish and implement with respect to any borrower  
23 who chooses to repay a loan made under this part pursu-  
24 ant to income-based repayment under this section proce-  
25dures to—

1           “(1) use return information disclosed under sec-  
2           tion 6103(l)(13) of the Internal Revenue Code of  
3           1986, pursuant to approval provided under section  
4           494, to determine the repayment obligation of the  
5           borrower without further action by the borrower;

6           “(2) allow the borrower (or the spouse of the  
7           borrower), at any time, to opt out of disclosure  
8           under such section 6103(l)(13) and instead provide  
9           such information as the Secretary may require to de-  
10          termine the repayment obligation of the borrower (or  
11          withdraw from the repayment plan under this sub-  
12          section); and

13          “(3) provide the borrower with an opportunity  
14          to update the return information so disclosed before  
15          the determination of the repayment obligation of the  
16          borrower.

17          “(c) NOTIFICATION TO BORROWERS.—The Secretary  
18          shall establish procedures under which a borrower of a  
19          loan made under this part who chooses to repay such loan  
20          pursuant to income-based repayment under this section is  
21          notified of the terms and conditions of such plan, includ-  
22          ing notification that if a borrower considers that special  
23          circumstances, such as a loss of employment by the bor-  
24          rower or the borrower’s spouse, warrant an adjustment in  
25          the borrower’s loan repayment as determined using the

1 borrower’s Federal tax return information, or the alter-  
2 native documentation described in subsection (b)(2), the  
3 borrower may contact the Secretary, who shall determine  
4 whether such adjustment is appropriate, in accordance  
5 with criteria established by the Secretary.

6 “(d) REDUCED PAYMENT PERIODS.—

7 “(1) IN GENERAL.—The Secretary shall author-  
8 ize borrowers meeting the criteria under paragraph  
9 (2) to make monthly payments of \$5 for a period  
10 not in excess of 3 years, except that—

11 “(A) for purposes of paragraph (2)(A), the  
12 Secretary may authorize reduced payments in  
13 6-month increments, beginning on the date the  
14 borrower provides to the Secretary the evidence  
15 described in paragraph (2)(A)(i); and

16 “(B) for purposes of paragraph (2)(B), the  
17 Secretary may authorize reduced payments in  
18 3-month increments, beginning on the date the  
19 borrower provides to the Secretary the evidence  
20 described in paragraph (2)(B)(i).

21 “(2) ELIGIBILITY DETERMINATIONS.—The Sec-  
22 retary shall authorize borrowers to make reduced  
23 payments under this subsection in the following cir-  
24 cumstances:



1           “(A) In a case of borrower who is seeking  
2           and unable to find full-time employment, as  
3           demonstrated by providing to the Secretary—

4                   “(i) evidence of the borrower’s eligi-  
5                   bility for unemployment benefits to the  
6                   Secretary; or

7                   “(ii) the borrower recertifies the rea-  
8                   son for the \$5 monthly payment under this  
9                   subparagraph.

10           “(B) The Secretary determines that, due  
11           to high medical expenses, the \$25 monthly pay-  
12           ment the borrower would otherwise make would  
13           be an extreme economic hardship to the bor-  
14           rower, if—

15                   “(i) the borrower documents the rea-  
16                   son why the \$25 minimum payment is an  
17                   extreme economic hardship; and

18                   “(ii) the borrower recertifies the rea-  
19                   son for the \$5 minimum payment on a  
20                   three-month basis.

21           “(3) DEFINITION.—For purpose of this sub-  
22           section, the term ‘full-time employment’ means em-  
23           ployment that will provide not less than 30 hours of  
24           work a week and is expected to continue for a period  
25           of not less than 3 months.

1 “(e) DEFINITIONS.—In this section:

2 “(1) ADJUSTED GROSS INCOME.—The term ‘ad-  
3 justed gross income’ has the meaning given the term  
4 in section 62 of the Internal Revenue Code of 1986.

5 “(2) EXCEPTED CONSOLIDATION LOAN.—The  
6 term ‘excepted Consolidation Loan’ means a Federal  
7 Direct Consolidation Loan, if the proceeds of such  
8 loan were used to the discharge the liability on—

9 “(A) an excepted PLUS loan; or

10 “(B) a Federal Direct Consolidation loan,  
11 if the proceeds of such loan were used to dis-  
12 charge the liability on an excepted PLUS loan.

13 “(3) EXCEPTED PLUS LOAN.—The term ‘ex-  
14 cepted PLUS Loan’ has the meaning given the term  
15 in section 493C.”.

16 (b) PROCEDURE AND REQUIREMENTS FOR REQUEST-  
17 ING TAX RETURN INFORMATION FROM THE IRS.—Sec-  
18 tion 494(a) (20 U.S.C. 1098h(a)) is amended by adding  
19 at the end the following:

20 “(4) INCOME-BASED REPAYMENT FOR LOANS  
21 MADE ON OR AFTER JULY 1, 2023.—

22 “(A) NEW APPLICANTS.—In the case of  
23 any written or electronic application by an indi-  
24 vidual for an income-based repayment plan  
25 under section 460A for a loan made under part

1           D on after July 1, 2023, the Secretary, with re-  
2           spect to such individual and any spouse of such  
3           individual, shall—

4                   “(i) provide to such individuals the  
5                   notification described in paragraph  
6                   (1)(A)(i);

7                   “(ii) require, as a condition of eligi-  
8                   bility for such repayment plan, that such  
9                   individuals—

10                           “(I) affirmatively approve the  
11                           disclosures described in subclauses (I)  
12                           and (II) of paragraph (1)(A)(i), to the  
13                           extent applicable, and agree that such  
14                           approval shall serve as an ongoing ap-  
15                           proval of such disclosures until the  
16                           date on which the individual elects to  
17                           opt out of such disclosures under sec-  
18                           tion 465(b)(2); or

19                           “(II) provide such information as  
20                           the Secretary may require to confirm  
21                           the eligibility of such individual for  
22                           such repayment plan.

23                   “(B) RECERTIFICATIONS.—With respect to  
24                   the first written or electronic recertification  
25                   (after the date of the enactment of the REAL

1 Reforms Act) of an individual’s income or fam-  
2 ily size for purposes of an income-based repay-  
3 ment plan under section 460A (entered into be-  
4 fore the date of the enactment of the REAL  
5 Reforms Act) for a loan under part D, the Sec-  
6 retary, with respect to such individual and any  
7 spouse of such individual, shall meet the re-  
8 quirements of clauses (i) and (ii) of subpara-  
9 graph (A) with respect to such recertification.”.

10 **SEC. 226. DEFERMENT ON LOANS MADE ON OR AFTER JULY**  
11 **1, 2023.**

12 (a) IN GENERAL.—Part D of title IV (20 U.S.C.  
13 1087e et seq.) is further amended by adding at the end  
14 the following:

15 **“SEC. 460B. DEFERMENT ON LOANS MADE ON OR AFTER**  
16 **JULY 1, 2023.**

17 “(a) EFFECT ON PRINCIPAL AND INTEREST.—

18 “(1) IN GENERAL.—A borrower (other than a  
19 borrower described in section 455(d)(6)(E)) of a  
20 loan made under this part on or after July 1,  
21 2023—

22 “(A) who meets the requirements described  
23 in subsection (b) shall be eligible for a  
24 deferment on such loan during which install-  
25 ments of principal need not be paid and, as

1 specified in paragraph (2), interest shall not ac-  
2 crue, or shall accrue and be paid by the bor-  
3 rower; and

4 “(B) may not be eligible for a deferment or  
5 forbearance under section 455(f) or any other  
6 provision of this Act (other than forbearance  
7 under section 455(l), forbearance under section  
8 685.205(a) of title 34, Code of Federal Regula-  
9 tions (or successor regulations), or deferment  
10 under section 493D).

11 “(2) EFFECT ON INTEREST.—

12 “(A) NO ACCRUAL OF INTEREST ON SUB-  
13 SIDIZED LOANS.—With respect to a deferment  
14 period described in subparagraphs (A) through  
15 (D) of subsection (b)(1), interest—

16 “(i) shall not accrue, in the case of  
17 a—

18 “(I) Federal Direct Stafford  
19 Loan; or

20 “(II) a Federal Direct Consolida-  
21 tion Loan that consolidated only Fed-  
22 eral Direct Stafford Loans, or a com-  
23 bination of such loans and Federal  
24 Stafford Loans for which the student

1 borrower received an interest subsidy  
2 under section 428; or

3 “(ii) shall accrue or be paid by the  
4 borrower, in the case of a Federal Direct  
5 PLUS Loan, a Federal Direct Unsub-  
6 sidized Stafford Loan, or a Federal Direct  
7 Consolidation Loan not described in clause  
8 (i)(II); and

9 “(B) INTEREST ACCRUAL ON ALL  
10 LOANS.—With respect to a deferment period de-  
11 scribed in subparagraph (E) or (F) of sub-  
12 section (b)(1), or paragraph (2), (3)(A), or (4),  
13 interest shall accrue or be paid by the borrower,  
14 in the case of any loan made under this part.

15 “(C) NO ACCRUAL OF INTEREST ON ANY  
16 LOAN.—With respect to a deferment period de-  
17 scribed in paragraph (3)(B) or paragraph (5),  
18 interest shall not accrue, in the case of any loan  
19 made under this part.

20 “(b) ELIGIBILITY.—Any borrower described in sub-  
21 section (a) shall be eligible for a deferment on a loan made  
22 under this part on or after July 1, 2023—

23 “(1) during any period during which the bor-  
24 rower—

1           “(A) is carrying at least one-half the nor-  
2 mal full-time work load for the course of study  
3 that the borrower is pursuing, as determined by  
4 the eligible institution the borrower is attend-  
5 ing;

6           “(B) is pursuing a course of study pursu-  
7 ant to—

8                   “(i) an eligible graduate fellowship  
9 program in accordance with subsection (g);  
10 or

11                   “(ii) an eligible rehabilitation training  
12 program for individuals with disabilities in  
13 accordance with subsection (i);

14           “(C) is serving on active duty during a war  
15 or other military operation or national emer-  
16 gency, and for the 180-day period following the  
17 demobilization date for such service;

18           “(D) is performing qualifying National  
19 Guard duty during a war or other military op-  
20 eration or national emergency, and for the 180-  
21 day period following the demobilization date for  
22 such service;

23           “(E) is a member of the National Guard  
24 who is not eligible for a post-active duty  
25 deferment under section 493D and is engaged

1 in active State duty for a period of more than  
2 30 consecutive days beginning—

3 “(i) the day after 6 months after the  
4 date the student ceases to carry at least  
5 one-half the normal full-time academic  
6 workload (as determined by the institu-  
7 tion); or

8 “(ii) the day after the borrower ceases  
9 enrollment on at least a half-time basis, for  
10 a loan in repayment; or

11 “(F) is serving in a medical or dental in-  
12 ternship or residency program, the successful  
13 completion of which is required to begin profes-  
14 sional practice or service, or is serving in a  
15 medical or dental internship or residency pro-  
16 gram leading to a degree or certificate awarded  
17 by an institution of higher education, a hos-  
18 pital, or a health care facility that offers post-  
19 graduate training;

20 “(2) during a period sufficient to enable the  
21 borrower to resume honoring the agreement to repay  
22 the outstanding balance of principal and interest on  
23 the loan after default, if—

24 “(A) the borrower signs a new agreement  
25 to repay such outstanding balance;



1           “(B) the deferment period is limited to  
2           120 days; and

3           “(C) such deferment is not granted for  
4           consecutive periods;

5           “(3) during a period of administrative  
6           deferment—

7           “(A) described in paragraphs (1) through  
8           (4) of subsection (j); or

9           “(B) described in subsection (j)(5);

10          “(4) in the case of a borrower of an excepted  
11          PLUS Loan or an excepted Consolidation Loan,  
12          during a period described in subsection (k); or

13          “(5) during a period in which such borrower is  
14          receiving treatment for cancer (in this paragraph re-  
15          ferred to as the ‘treatment period’), and the 6-  
16          month period after such treatment period (in this  
17          paragraph referred to as the ‘post-treatment pe-  
18          riod’), except that, notwithstanding subsection (a),  
19          interest shall not accrue during any such treatment  
20          period or post-treatment period.

21          “(c) LENGTH OF DEFERMENT.—A deferment grant-  
22          ed by the Secretary—

23          “(1) under subparagraph (F) of subsection  
24          (b)(1) shall be renewable at 12 month intervals; and

1           “(2) under subparagraph (F) of subsection  
2           (b)(1) shall equal the length of time remaining in  
3           the borrower’s medical or dental internship or resi-  
4           dency program.

5           “(d) REQUEST AND DOCUMENTATION.—The Sec-  
6           retary shall determine the eligibility of a borrower for a  
7           deferment under paragraphs (1), (2), or (4) of subsection  
8           (b), based on—

9           “(1) the receipt of a request for a deferment  
10           from the borrower, and documentation of the bor-  
11           rower’s eligibility for the deferment;

12           “(2) receipt of a completed loan application  
13           that documents the borrower’s eligibility for a  
14           deferment;

15           “(3) receipt of a student status information  
16           documenting that the borrower is enrolled on at  
17           least a half-time basis; or

18           “(4) the Secretary’s confirmation of the bor-  
19           rower’s half-time enrollment status, if the confirma-  
20           tion is requested by the institution of higher edu-  
21           cation.

22           “(e) NOTIFICATION.—The Secretary shall—

23           “(1) notify a borrower of a loan made under  
24           this part—

1           “(A) the granting of a deferment under  
2 this subsection on such loan; and

3           “(B) the option of the borrower to con-  
4 tinue making payments on the outstanding bal-  
5 ance of principal and interest on such loan in  
6 accordance with subsection (f);

7           “(2) at the time the Secretary grants a  
8 deferment to a borrower of a loan made under this  
9 part, and not less frequently than once every 180  
10 days during the period of such deferment, provide  
11 information to the borrower to assist the borrower in  
12 understanding—

13           “(A) the effect of granting a deferment on  
14 the total amount to be paid under the income-  
15 based repayment plan under 460A;

16           “(B) interest shall not accrue, or shall ac-  
17 crue or be paid by the borrower, as specified in  
18 subsection (a)(2);

19           “(C) the amount of unpaid principal and  
20 the amount of interest that has accrued since  
21 the last statement of such amounts provided to  
22 the borrower; and

23           “(D) the borrower’s option to discontinue  
24 the deferment at any time.

1       “(f) PAYMENTS BY BORROWERS AUTHORIZED.—A  
2 borrower may make payments on the outstanding balance  
3 of principal and interest on a loan made under this part  
4 during any period of deferment granted under this sub-  
5 section.

6       “(g) GRADUATE FELLOWSHIP DEFERMENT.—

7           “(1) IN GENERAL.—A borrower of a loan under  
8 this part is eligible for a deferment under subsection  
9 (b)(1)(B)(i) during any period for which an author-  
10 ized official of the borrower’s graduate fellowship  
11 program certifies that the borrower meets the re-  
12 quirements of paragraph (2) and is pursuing a  
13 course of study pursuant to an eligible graduate fel-  
14 lowship program.

15           “(2) BORROWER REQUIREMENTS.—A borrower  
16 meets the requirements of this subparagraph if the  
17 borrower—

18           “(A) holds at least a baccalaureate degree  
19 conferred by an institution of higher education;

20           “(B) has been accepted or recommended  
21 by an institution of higher education for accept-  
22 ance on a full-time basis into an eligible grad-  
23 uate fellowship program; and

1           “(C) is not serving in a medical internship  
2           or residency program, except for a residency  
3           program in dentistry.

4           “(h) TREATMENT OF STUDY OUTSIDE THE UNITED  
5 STATES.—

6           “(1) IN GENERAL.—The Secretary shall treat,  
7           in the same manner as required under section  
8           428(b)(4), any course of study at a foreign univer-  
9           sity that is accepted for the completion of a recog-  
10          nized international fellowship program by the admin-  
11          istrator of such a program as an eligible graduate  
12          fellowship program.

13          “(2) REQUESTS FOR DEFERMENT.—Requests  
14          for deferment of repayment of loans under this sub-  
15          section by students engaged in graduate or post-  
16          graduate fellowship-supported study (such as pursu-  
17          ant to a Fulbright grant) outside the United States  
18          shall be approved until completion of the period of  
19          the fellowship, in the same manner as required  
20          under section 428(b)(4).

21          “(i) REHABILITATION TRAINING PROGRAM  
22 DEFERMENT.—A borrower of a loan under this part is  
23 eligible for a deferment under subsection (b)(1)(B)(ii) dur-  
24 ing any period for which an authorized official of the bor-  
25 rower’s rehabilitation training program certifies that the

1 borrower is pursuing an eligible rehabilitation training  
2 program for individuals with disabilities.

3 “(j) ADMINISTRATIVE DEFERMENTS.—The Secretary  
4 may grant a deferment to a borrower without requiring  
5 a request and documentation from the borrower under  
6 subsection (d) for—

7 “(1) a period during which the borrower was  
8 delinquent at the time a deferment is granted, in-  
9 cluding a period for which scheduled payments of  
10 principal and interest were overdue at the time such  
11 deferment is granted;

12 “(2) a period during which the borrower was  
13 granted a deferment under this subsection but for  
14 which the Secretary determines the borrower should  
15 not have qualified;

16 “(3) a period necessary for the Secretary to de-  
17 termine the borrower’s eligibility for the cancellation  
18 of the obligation of the borrower to repay the loan  
19 under section 437;

20 “(4) a period during which the Secretary has  
21 authorized deferment due to a national military mo-  
22 bilization or other local or national emergency; or

23 “(5) a period not to exceed 60 days, during  
24 which interest shall accrue but not be capitalized, if  
25 the Secretary reasonably determines that a suspen-

1 sion of collection activity is warranted to enable the  
2 Secretary to process supporting documentation relat-  
3 ing to a borrower's request—

4 “(A) for a deferment under this sub-  
5 section;

6 “(B) for a change in repayment plan under  
7 section 455(d)(6); or

8 “(C) to consolidate loans under this part.

9 “(k) DEFERMENTS FOR EXCEPTED PLUS LOANS OR  
10 EXCEPTED CONSOLIDATION LOANS.—

11 “(1) IN GENERAL.—A qualified borrower shall  
12 be eligible for deferments under paragraphs (3)  
13 through (5).

14 “(2) QUALIFIED BORROWER DEFINED.—In this  
15 subsection, the term ‘qualified borrower’ means a  
16 borrower of an excepted PLUS Loan or an excepted  
17 consolidation loan.

18 “(3) ECONOMIC HARDSHIP DEFERMENT.—

19 “(A) IN GENERAL.—A qualified borrower  
20 shall be eligible for a deferment during periods,  
21 not to exceed 3 years in total, during which the  
22 qualified borrower experiences an economic  
23 hardship described in subparagraph (B).

1           “(B) ECONOMIC HARDSHIP.—An economic  
2 hardship described in this clause is a period  
3 during which the qualified borrower—

4           “(i) is receiving payment under a  
5 means-tested benefit program;

6           “(ii) is employed full-time and the  
7 monthly gross income of the qualified bor-  
8 rower does not exceed the greater of—

9           “(I) the minimum wage rate de-  
10 scribed in section 6 of the Fair Labor  
11 Standards Act of 1938 (29 U.S.C.  
12 206); or

13           “(II) an amount equal to 150  
14 percent of the poverty line; or

15           “(iii) demonstrates that the sum of  
16 the qualified borrower’s monthly payments  
17 on the qualified borrower’s excepted PLUS  
18 Loan or an excepted consolidation loan is  
19 not less than 20 percent of the qualified  
20 borrower’s monthly gross income.

21           “(C) ELIGIBILITY.—To be eligible to re-  
22 ceive a deferment under this subparagraph, a  
23 qualified borrower shall submit to the Sec-  
24 retary—



1           “(i) for the first period of deferment  
2           under this subparagraph, evidence showing  
3           the monthly gross income of the qualified  
4           borrower; and

5           “(ii) for a subsequent period of  
6           deferment that begins less than one year  
7           after the end of a period of deferment  
8           granted under this subparagraph—

9                   “(I) evidence showing the month-  
10                  ly gross income of the qualified bor-  
11                  rower; or

12                  “(II) the qualified borrower’s  
13                  most recently filed Federal income tax  
14                  return, if such a return was filed in  
15                  either of the two tax years preceding  
16                  the year in which the qualified bor-  
17                  rower requests the subsequent period  
18                  of deferment.

19           “(4) UNEMPLOYMENT DEFERMENT.—

20                   “(A) IN GENERAL.—A qualified borrower  
21                   shall be eligible for a deferment for periods dur-  
22                   ing which the qualified borrower is seeking, and  
23                   is unable to find, full-time employment.

24                   “(B) ELIGIBILITY.—To be eligible to re-  
25                   ceive an deferment under this subparagraph, a

1 qualified borrower shall submit to the Sec-  
2 retary—

3 “(i) evidence of the qualified bor-  
4 rower’s eligibility for unemployment bene-  
5 fits; or

6 “(ii) for requests submitted after the  
7 initial request, written confirmation, or an  
8 equivalent as approved by the Secretary,  
9 that the qualified borrower has made at  
10 least six diligent attempts during the pre-  
11 ceding six-month period to secure full-time  
12 employment.

13 “(C) TERMS OF DEFERMENT.—The fol-  
14 lowing terms shall apply to a deferment under  
15 this subparagraph:

16 “(i) INITIAL PERIOD.—The first  
17 deferment granted to a qualified borrower  
18 under this subparagraph may be for a pe-  
19 riod of unemployment beginning not more  
20 than 6 months before the date on which  
21 the Secretary receives the qualified bor-  
22 rower’s request for deferment and may be  
23 granted for a period of up to 6 months  
24 after that date.

1           “(ii) RENEWALS.—Deferments under  
2           this subparagraph shall be renewable at 6-  
3           month intervals beginning after the expira-  
4           tion of the first period of deferment under  
5           clause (i). To be eligible to renew a  
6           deferment under this subparagraph, a  
7           qualified borrower shall submit to the Sec-  
8           retary the information described in sub-  
9           paragraph (B)(i).

10           “(iii) AGGREGATE LIMIT.—The period  
11           of all deferments granted to a borrower  
12           under this subparagraph may not exceed 3  
13           years in aggregate.

14           “(5) HEALTH DEFERMENT.—

15           “(A) IN GENERAL.—A qualified borrower  
16           shall be eligible for a deferment during periods  
17           in which the qualified borrower is unable to  
18           make scheduled loan payments due to high  
19           medical expenses, as determined by the Sec-  
20           retary.

21           “(B) ELIGIBILITY.—To be eligible to re-  
22           ceive a deferment under this subparagraph, a  
23           qualified borrower shall—

24           “(i) submit to the Secretary docu-  
25           mentation demonstrating that making

1           scheduled loan payments would be an ex-  
2           treme economic hardship to the borrower  
3           due to high medical expenses, as deter-  
4           mined by the Secretary; and

5                   “(ii) resubmit such documentation to  
6           the Secretary not less frequently than once  
7           every 3 months.

8           “(1) PROHIBITIONS.—

9                   “(1) PROHIBITION ON FEES.—No administra-  
10          tive fee or other fee may be charged to the borrower  
11          in connection with the granting of a deferment  
12          under this subsection.

13                   “(2) PROHIBITION ON ADVERSE CREDIT RE-  
14          PORTING.—No adverse information relating to a bor-  
15          rower may be reported to a consumer reporting  
16          agency solely because of the granting of a deferment  
17          under this subsection.

18                   “(3) LIMITATION ON AUTHORITY.—The Sec-  
19          retary shall not, through regulation or otherwise, au-  
20          thorize additional deferment options or periods of  
21          deferment other than the deferment options and pe-  
22          riods of deferment authorized under this subsection.

23          “(m) DEFINITIONS.—In this section:

24                   “(1) ELIGIBLE GRADUATE FELLOWSHIP PRO-  
25          GRAM.—The term ‘eligible graduate fellowship pro-

1       gram’, when used with respect to a course of study  
2       pursued by the borrower of a loan under this part,  
3       means a fellowship program that—

4               “(A) provides sufficient financial support  
5       to graduate fellows to allow for full-time study  
6       for at least six months;

7               “(B) requires a written statement from  
8       each applicant explaining the applicant’s objec-  
9       tives before the award of that financial support;

10              “(C) requires a graduate fellow to submit  
11       periodic reports, projects, or evidence of the fel-  
12       low’s progress; and

13              “(D) in the case of a course of study at an  
14       institution of higher education outside the  
15       United States described in section 102, accepts  
16       the course of study for completion of the fellow-  
17       ship program.

18              “(2) ELIGIBLE REHABILITATION TRAINING  
19       PROGRAM FOR INDIVIDUALS WITH DISABILITIES.—  
20       The term ‘eligible rehabilitation training program  
21       for individuals with disabilities’, when used with re-  
22       spect a course of study pursued by the borrower of  
23       a loan under this part, means a program that—

1           “(A) is necessary to assist an individual  
2 with a disability in preparing for, securing, re-  
3 taining, or regaining employment;

4           “(B) is licensed, approved, certified, or  
5 otherwise recognized as providing rehabilitation  
6 training to disabled individuals by—

7                   “(i) a State agency with responsibility  
8 for vocational rehabilitation programs,  
9 drug abuse treatment programs, mental  
10 health services programs, or alcohol abuse  
11 treatment programs; or

12                   “(ii) the Secretary of Veterans Af-  
13 fairs; and

14           “(C) provides or will provide the borrower  
15 with rehabilitation services under a written plan  
16 that—

17                   “(i) is individualized to meet the bor-  
18 rower’s needs;

19                   “(ii) specifies the date on which the  
20 services to the borrower are expected to  
21 end; and

22                   “(iii) requires a commitment of time  
23 and effort from the borrower that prevents  
24 the borrower from being employed at least  
25 30 hours per week, either because of the

1                   number of hours that must be devoted to  
2                   rehabilitation or because of the nature of  
3                   the rehabilitation.

4                   “(3) EXCEPTED PLUS LOAN; EXCEPTED CON-  
5                   SOLIDATION LOAN.—The terms ‘excepted PLUS  
6                   loan’ and ‘excepted consolidation loan’ have the  
7                   meanings given such terms in section 460A.

8                   “(4) FAMILY SIZE.—The term ‘family size’  
9                   means the number that is determined by counting—

10                   “(A) the borrower;

11                   “(B) the borrower’s spouse;

12                   “(C) the borrower’s children, including un-  
13                   born children who are expected to be born dur-  
14                   ing the period covered by the deferment, if the  
15                   children receive more than half their support  
16                   from the borrower; and

17                   “(D) another individual if, at the time the  
18                   borrower requests a deferment under this sec-  
19                   tion, the individual—

20                   “(i) lives with the borrower;

21                   “(ii) receives more than half of the in-  
22                   dividual’s support (which may include  
23                   money, gifts, loans, housing, food, clothes,  
24                   car, medical and dental care, and payment  
25                   of college costs) from the borrower; and

1                   “(iii) is expected to receive such sup-  
2                   port from the borrower during the relevant  
3                   period of deferment.

4                   “(5) FULL-TIME.—The term ‘full-time’, when  
5                   used with respect to employment, means employment  
6                   for not less than 30 hours per week that is expected  
7                   to continue for not less than three months.

8                   “(6) MEANS-TESTED BENEFIT PROGRAM.—The  
9                   term ‘means-tested benefit program’ means—

10                   “(A) a State public assistance program  
11                   under which eligibility for the program’s bene-  
12                   fits, or the amount of such benefits, are deter-  
13                   mined on the basis of income or resources of  
14                   the individual or family seeking the benefit; or

15                   “(B) a mandatory spending program of the  
16                   Federal Government, other than a program  
17                   under this title, under which eligibility for the  
18                   program’s benefits, or the amount of such bene-  
19                   fits, are determined on the basis of income or  
20                   resources of the individual or family seeking the  
21                   benefit, and may include such programs as

22                   “(i) the supplemental security income  
23                   program under title XVI of the Social Se-  
24                   curity Act (42 U.S.C. 1381 et seq.);



1 “(ii) the supplemental nutrition assist-  
2 ance program under the Food and Nutri-  
3 tion Act of 2008 (7 U.S.C. 2011 et seq.);

4 “(iii) the program of block grants for  
5 States for temporary assistance for needy  
6 families established under part A of title  
7 IV of the Social Security Act (42 U.S.C.  
8 601 et seq.);

9 “(iv) the special supplemental nutri-  
10 tion program for women, infants, and chil-  
11 dren established by section 17 of the Child  
12 Nutrition Act of 1966 (42 U.S.C. 1786);  
13 and

14 “(v) other programs identified by the  
15 Secretary.

16 “(7) MONTHLY GROSS INCOME.—The term  
17 ‘monthly gross income’, when used with respect to a  
18 borrower, means—

19 “(A) the gross amount of income received  
20 by the borrower from employment and other  
21 sources for the most recent month; or

22 “(B) one-twelfth of the borrower’s adjusted  
23 gross income, as recorded on the borrower’s  
24 most recently filed Federal income tax return.

1           “(8) RULE OF CONSTRUCTION.—Nothing in  
2 this section shall be construed to impact a bor-  
3 rower’s eligibility to receive the benefit of section  
4 455(o).”.

5           (b) CONFORMING AMENDMENT.—Section 493D(a)  
6 (20 U.S.C. 1098f(a)) is amended by inserting “, or section  
7 460B” after “464(c)(2)(A)(iii)”.

## 8           **PART D—ELIMINATION OF INTEREST**

### 9           **CAPITALIZATION**

#### 10       **SEC. 231. ELIMINATION OF INTEREST CAPITALIZATION.**

11           (a) FEDERAL PLUS LOANS.—Section 428B(d)(2)  
12 (20 U.S.C. 1078–2(d)(2)) is amended to read as follows:

13           “(2) NO CAPITALIZATION OF INTEREST.—Inter-  
14 est on loans made under this section for which pay-  
15 ments of principal are deferred pursuant to para-  
16 graph (1) shall be paid monthly or quarterly, if  
17 agreed upon by the borrower and the lender.”.

18           (b) FEDERAL CONSOLIDATION LOANS DEFER-  
19 RALS.—Section 428C(b)(4)(C)(ii)(III) (20 U.S.C. 1078–  
20 3(b)(4)(C)(III)) is amended by striking “or capitalized,”.

21           (c) LOAN LIMITS FOR UNSUBSIDIZED STAFFORD  
22 LOANS.—Section 428H(d)(5) (20 U.S.C. 1078–8(d)(5)) is  
23 amended by inserting “before the date of enactment of  
24 the REAL Reforms Act” after “Interest capitalized”.

1 (d) UNSUBSIDIZED STAFFORD LOANS FOR MIDDLE  
2 INCOME BORROWERS.—Section 428H(e)(2) (20 U.S.C.  
3 1078–8(e)(2)) is amended—

4 (1) in subparagraph (A), in the matter before  
5 clause (i), by striking “, if agreed upon by the bor-  
6 rower and the lender” and all that follows through  
7 clause (ii)(IV) and inserting “be paid monthly or  
8 quarterly, if agreed upon by the borrower and the  
9 lender.”;

10 (2) by striking subparagraph (B); and

11 (3) by redesignating subparagraph (C) as sub-  
12 paragraph (B).

13 (e) INCOME CONTINGENT REPAYMENT.—Section  
14 455(e)(5) (20 U.S.C. 1087e(e)(5)) is amended by striking  
15 the last sentence and inserting “No interest may be cap-  
16 italized on such loan on or after the date of the enactment  
17 of the REAL Reforms Act, and the Secretary shall pro-  
18 mulgate regulations with respect to the treatment of ac-  
19 crued interest that is not capitalized”.

20 (f) EFFECT OF DEFERMENT ON PRINCIPAL AND IN-  
21 TEREST.—Section 455(f)(1)(B) (20 U.S.C.  
22 1087e(f)(1)(B)) is amended by striking “capitalized or”.

23 (g) INCOME-BASED REPAYMENT PROGRAM.—Section  
24 493C(b)(3)(B) (20 U.S.C. 1098e(b)(3)(B)) is amended by  
25 inserting “shall accrue but not” before “be capitalized”.

1       **TITLE III—WORKFORCE PELL**  
2                                   **GRANTS**

3       **SEC. 301. DATA COLLECTION AND DISSEMINATION RE-**  
4                                   **LATED TO WORKFORCE PELL.**

5           Section 131 (20 U.S.C. 1015) is amended by adding  
6 at the end the following:

7           “(i) DATA COLLECTION AND DISSEMINATION RE-  
8 LATED TO WORKFORCE PELL.—

9                   “(1) APPEAL OF EARNINGS INFORMATION.—

10           The Secretary may establish an appeals process to  
11 permit eligible programs for purposes of the Work-  
12 force Pell Grants program under section 401(k) to  
13 submit alternate earnings data to comply with sec-  
14 tion 481(b)(3)(F), provided that such data are sta-  
15 tistically rigorous, accurate, comparable, and rep-  
16 resentative of students who receive a Workforce Pell  
17 Grant and complete the eligible program.

18                   “(2) DISSEMINATION OF INFORMATION.—The  
19 Secretary shall collect, verify, and make publicly  
20 available the information required under subpara-  
21 graph (E) of subsection (b)(3) of section 481 on the  
22 College Scorecard or any similar successor website.

23                   “(3) EXCEPTIONS.—Notwithstanding any other  
24 provision of this subsection, if disclosure of any data  
25 under paragraph (2) is prohibited under State or

1 Federal privacy laws or regulations, the Secretary  
2 shall take such steps as the Secretary determines  
3 necessary to make publicly available such data in ac-  
4 cordance with such laws and regulations.”.

5 **SEC. 302. PROGRAM ELIGIBILITY FOR WORKFORCE PELL**  
6 **GRANTS.**

7 Section 481(b) (20 U.S.C. 1088(b)) is amended—

8 (1) by redesignating paragraphs (3) and (4) as  
9 paragraphs (4) and (5), respectively; and

10 (2) by inserting after paragraph (2) the fol-  
11 lowing:

12 “(3) A program is an eligible program for pur-  
13 poses of the Workforce Pell Grants program under  
14 section 401(k) only if—

15 “(A) it is at least 150 clock hours of in-  
16 struction, but not more than 600 clock hours of  
17 instruction, or an equivalent number of credit  
18 hours, offered during a minimum of 8 weeks,  
19 but not more than 15 weeks;

20 “(B) it is determined by an accrediting  
21 agency or association recognized by the Sec-  
22 retary pursuant to section 496(a) to—

23 “(i) provide an education aligned with  
24 the requirements of in-demand industry  
25 sectors or occupations, as defined in sec-

1                   tion 3 of the Workforce Innovation and  
2                   Opportunity Act;

3                   “(ii) meet the hiring requirements of  
4                   potential employers in the sectors or occu-  
5                   pations described in clause (i); and

6                   “(iii) have been offered by an institu-  
7                   tion for not less than 1 year prior to a de-  
8                   termination by such agency or association  
9                   under this subparagraph;

10                  “(iv) have a completion rate (based on  
11                  the methodology of such agency or associa-  
12                  tion) of at least 70 percent;

13                  “(v) have a job placement rate (based  
14                  on the methodology of such agency or asso-  
15                  ciation) of at least 70 percent; and

16                  “(C) the increase in median earnings of  
17                  students who receive Federal financial aid  
18                  under this title and who complete the program  
19                  is an amount that is equal to or greater than  
20                  the published tuition and fees of such program,  
21                  as determined by calculating the difference be-  
22                  tween—

23                  “(i) the median earnings of such stu-  
24                  dents at the time of initial enrollment in  
25                  the program; and

1                   “(ii) the median earnings of such stu-  
2                   dents two years after completing such pro-  
3                   gram.”.

4 **SEC. 304. WORKFORCE PELL GRANTS.**

5       (a) AWARD YEAR 2023–2024.—Section 401 (20  
6 U.S.C. 1070a) is amended by adding at the end the fol-  
7 lowing:

8       “(k) WORKFORCE PELL GRANTS PROGRAM.—

9               “(1) IN GENERAL.—For the award year begin-  
10              ning on July 1, 2023, the Secretary shall award  
11              grants (referred to as a ‘Workforce Pell Grants’) to  
12              eligible students under paragraph (2) in accordance  
13              with this subsection.

14             “(2) ELIGIBLE STUDENTS.—For award year  
15              2023–2024, to be eligible to receive a Workforce Pell  
16              Grant under this subsection for any period of enroll-  
17              ment, a student shall meet the eligibility require-  
18              ments for a Federal Pell Grant under this section,  
19              except that the student—

20               “(A) shall be enrolled, or accepted for en-  
21               rollment, in an eligible program described in  
22               section 481(b)(3); and

23               “(B) may not have received a  
24               postbaccalaureate degree.

1           “(3) TERMS AND CONDITIONS OF AWARDS.—

2           The Secretary shall award Workforce Pell Grants  
3           under this subsection in the same manner and with  
4           the same terms and conditions as the Secretary  
5           awards Federal Pell Grants under subsection (b), ex-  
6           cept that a student who is eligible for a grant equal  
7           to less than the amount of the minimum Federal  
8           Pell Grant because the eligible workforce develop-  
9           ment program in which the student is enrolled or ac-  
10          cepted for enrollment is less than an academic year  
11          (in hours of instruction or weeks of duration) may  
12          still be eligible for a Workforce Pell Grant.

13           “(4) PREVENTION OF DOUBLE BENEFITS.—No  
14          eligible student described in paragraph (2) may, for  
15          the same period of enrollment, receive both a grant  
16          under this subsection and a Federal Pell Grant  
17          under subsection (b).”.

18          (b) SUBSEQUENT AWARD YEARS.—

19           (1) IN GENERAL.—Section 401 (20 U.S.C.  
20          1070a), as amended by section 703 of the FAFSA  
21          Simplification Act (title VII of division FF of Public  
22          Law 116–260), is amended by adding at the end the  
23          following:

24          “(k) WORKFORCE PELL GRANTS PROGRAM.—



1           “(1) IN GENERAL.—For the award year begin-  
2           ning on July 1, 2024, and each subsequent award  
3           year, the Secretary shall award grants (referred to  
4           as a ‘Workforce Pell Grants’) to eligible students  
5           under paragraph (2) in accordance with this sub-  
6           section.

7           “(2) ELIGIBLE STUDENTS.—For award year  
8           2024–2025 and each succeeding award year, to be  
9           eligible to receive a Workforce Pell Grant under this  
10          subsection for any period of enrollment, a student  
11          shall meet the eligibility requirements for a Federal  
12          Pell Grant under this section, except that the stu-  
13          dent—

14                 “(A) shall be enrolled, or accepted for en-  
15                 rollment, in an eligible program described in  
16                 section 481(b)(3); and

17                 “(B) may not have received a  
18                 postbaccalaureate degree.

19          “(3) TERMS AND CONDITIONS OF AWARDS.—  
20          The Secretary shall award Workforce Pell Grants  
21          under this subsection in the same manner and with  
22          the same terms and conditions as the Secretary  
23          awards Federal Pell Grants under subsection (b), ex-  
24          cept that a student who is eligible for a grant equal  
25          to less than the amount of the minimum Federal

1 Pell Grant because the eligible workforce develop-  
2 ment program in which the student is enrolled or ac-  
3 cepted for enrollment is less than an academic year  
4 (in hours of instruction or weeks of duration) may  
5 still be eligible for a Workforce Pell Grant.

6 “(4) PREVENTION OF DOUBLE BENEFITS.—No  
7 eligible student described in paragraph (2) may, for  
8 the same period of enrollment, receive both a grant  
9 under this subsection and a Federal Pell Grant  
10 under subsection (b).”.

11 (2) EFFECTIVE DATE.—The amendment made  
12 by paragraph (1) shall take effect as if included in  
13 section 703 of the FAFSA Simplification Act (title  
14 VII of division FF of Public Law 116–260; 134  
15 Stat. 3191) and in accordance with section 701(b)  
16 of such Act.

17 **SEC. 305. ACCREDITING AGENCY DETERMINATION OF ELI-**  
18 **GIBILITY REQUIREMENTS FOR THE WORK-**  
19 **FORCE PELL GRANTS PROGRAM.**

20 (a) IN GENERAL.—Section 496(a)(4) (20 U.S.C.  
21 1099b(a)(4)) is amended—

22 (1) in subparagraph (A), by striking “and” at  
23 the end;

24 (2) in subparagraph (B)(ii), by inserting “and”  
25 at the end; and

1 (3) by adding at the end the following:

2 “(C) if such agency or association has or seeks  
3 to include within its scope of recognition the evalua-  
4 tion of the quality of institutions offering an eligible  
5 program for purposes of the Workforce Pell Grants  
6 program (in accordance with section 481(b)(3)),  
7 such agency or association shall, in addition to meet-  
8 ing the other requirements of this subpart, dem-  
9 onstrate to the Secretary that, with respect to such  
10 eligible programs—

11 “(i) the agency’s or association’s standards  
12 include a process for determining if the institu-  
13 tion has the capability to effectively offer such  
14 an eligible program; and

15 “(ii) the agency or association requires a  
16 demonstration that the program—

17 “(I) satisfies the requirements of sub-  
18 paragraph (B) of section 481(b)(3); and

19 “(II) provides academic content, an  
20 amount of instructional time, and com-  
21 petencies to satisfy any applicable edu-  
22 cational requirement so that a student who  
23 completes the program and seeks employ-  
24 ment is qualified to practice or find em-

1                   ployment in the sectors or occupations that  
2                   the program prepares students to enter.”.

3           (b) **ADDITIONAL NACIQI REVIEW MEETINGS.**—For  
4 the purpose of preparing for the implementation of the  
5 Workforce Pell Grant program under section 401(k) of the  
6 Higher Education Act of 1965 (as added by section 304),  
7 in addition to the meetings required under section  
8 114(d)(1) of the Higher Education Act of 1965 (20  
9 U.S.C. 1011c(d)(1)), the National Advisory Committee on  
10 Institutional Quality and Integrity (as established by such  
11 section 114) shall, through 2025, hold meetings to evalu-  
12 ate the additions to the scope of recognition of accrediting  
13 agencies and associations with respect to an eligible pro-  
14 gram for purposes of the Workforce Pell Grants program  
15 (in accordance with section 481(b)(3) of the Higher Edu-  
16 cation Act of 1965, as added by section 302).