To promote quality student loan servicing by improving the borrower experience for borrowers of Federal Direct Loans.

IN THE SENATE OF THE UNITED STATES

Mr. Blunt (for himself, Ms. Warren, Mr. Lankford, and Mrs. Shaheen) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To promote quality student loan servicing by improving the borrower experience for borrowers of Federal Direct Loans.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Student Loan Servicer Performance Accountability Act”.

SEC. 2. COMPETITION IN STUDENT LOAN SERVICING.

(a) CANCELLATION OF SOLICITATIONS.—The Sec-

etary of Education shall cancel the Department of Edu-
cation solicitations for the Federal Aid Servicing Solution

dated April 4, 2016 and October 26, 2016, including any
amendments to those solicitations (Solicitation No. ED–

(b) Competition in Student Loan Servicing.—
Section 456 of the Higher Education Act of 1965 (20
U.S.C. 1087f) is amended by adding at the end the fol-
lowing:

“(c) Competition in Student Loan Servicing.—

“(1) Competition.—As of the date of enact-
ment of the Student Loan Servicer Performance Ac-
countability Act, in order to promote accountability
and high-quality services to borrowers, the Secretary
shall not issue any contract solicitation for a new
Federal student loan servicing solution unless such
a solution—

“(A) provides for the participation of mul-
tiple student loan servicers that contract di-
rectly with the Department of Education; and

“(B) allocates student loan borrower ac-
counts to eligible student loan servicers based
on performance.

“(2) Prohibition.—The Secretary shall not
award a contract to a single servicer to service all
Federal Direct Loans.”.