To amend the Higher Education Act of 1965 to provide for the refinancing of certain Federal student loans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. Warren (for herself, Ms. Baldwin, Mr. Bennet, Mr. Blumenthal, Mr. Booker, Mr. Brown, Ms. Cantwell, Mr. Cardin, Mr. Casey, Ms. Cortez Masto, Ms. Duckworth, Mr. Durbin, Mrs. Feinstein, Mrs. Gillibrand, Ms. Harris, Ms. Hassan, Ms. Hirono, Ms. Klobuchar, Mr. Leahy, Mr. Manchin, Mr. Markey, Mr. Menendez, Mr. Merkley, Mr. Murphy, Mr. Peters, Mr. Reed, Mr. Sanders, Mrs. Shaheen, Ms. Smith, Ms. Stabenow, Mr. Udall, Mr. Van Hollen, Mr. Whitehouse, ) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Higher Education Act of 1965 to provide for the refinancing of certain Federal student loans, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Bank on Students Emergency Loan Refinancing Act”.

TITLE I—REFINANCING PROGRAMS

SEC. 101. REFINANCING PROGRAMS.

(a) Program Authority.—Section 451(a) of the Higher Education Act of 1965 (20 U.S.C. 1087a(a)) is amended—

(1) by striking “and (2)” and inserting “(2)”;

and

(2) by inserting “; and (3) to make loans under section 460A and section 460B” after “section 459A”.

(b) Refinancing Program.—Part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) is amended by adding at the end the following:

“SEC. 460A. REFINANCING FFEL AND FEDERAL DIRECT LOANS.

“(a) In General.—Beginning not later than 180 days after the date of enactment of the Bank on Students Emergency Loan Refinancing Act, the Secretary shall establish a program under which the Secretary, upon the receipt of an application from a qualified borrower, makes a loan under this part, in accordance with the provisions of this section, in order to permit the borrower to obtain the interest rate provided under subsection (e).

“(b) Refinancing Direct Loans.—
“(1) FEDERAL DIRECT LOANS.—Upon application of a qualified borrower, the Secretary shall repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, a Federal Direct PLUS Loan, or a Federal Direct Consolidation Loan of the qualified borrower, for which the first disbursement was made, or the application for the consolidation loan was received, before July 1, 2019, with the proceeds of a refinanced Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, a Federal Direct PLUS Loan, or a Federal Direct Consolidation Loan, respectively, issued to the borrower in an amount equal to the sum of the unpaid principal, accrued unpaid interest, and late charges of the original loan.

“(2) REFINANCING FFEL PROGRAM LOANS AS REFINANCED FEDERAL DIRECT LOANS.—Upon application of a qualified borrower for any loan that was made, insured, or guaranteed under part B and for which the first disbursement was made, or the application for the consolidation loan was received, before July 1, 2010, the Secretary shall make a loan under this part, in an amount equal to the sum of the unpaid principal, accrued unpaid interest, and
late charges of the original loan to the borrower in accordance with the following:

“(A) The Secretary shall pay the proceeds of such loan to the eligible lender of the loan made, insured, or guaranteed under part B, in order to discharge the borrower from any remaining obligation to the lender with respect to the original loan.

“(B) A loan made under this section that was originally a loan made, insured, or guaranteed—

“(i) under section 428 shall be a Federal Direct Stafford Loan;

“(ii) under section 428B shall be a Federal Direct PLUS Loan;

“(iii) under section 428H shall be a Federal Direct Unsubsidized Stafford Loan; and

“(iv) under section 428C shall be a Federal Direct Consolidation Loan.

“(C) The interest rate for each loan made by the Secretary under this paragraph shall be the rate provided under subsection (e).

“(e) INTEREST RATES.—
“(1) IN GENERAL.—The interest rate for the refinanced Federal Direct Stafford Loans, Federal Direct Unsubsidized Stafford Loans, Federal Direct PLUS Loans, and Federal Direct Consolidation Loans, shall be a rate equal to—

“(A) in any case where the original loan was a loan under section 428 or 428H, a Federal Direct Stafford loan, or a Federal Direct Unsubsidized Stafford Loan, that was issued to an undergraduate student, a rate equal to the rate for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans issued to undergraduate students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017;

“(B) in any case where the original loan was a loan under section 428 or 428H, a Federal Direct Stafford Loan, or a Federal Direct Unsubsidized Stafford Loan, that was issued to a graduate or professional student, a rate equal to the rate for Federal Direct Unsubsidized Stafford Loans issued to graduate or professional students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017;
“(C) in any case where the original loan was a loan under section 428B or a Federal Direct PLUS Loan, a rate equal to the rate for Federal Direct PLUS Loans for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017; and

“(D) in any case where the original loan was a loan under section 428C or a Federal Direct Consolidation Loan, a rate calculated in accordance with paragraph (2).

“(2) INTEREST RATES FOR CONSOLIDATION LOANS.—

“(A) METHOD OF CALCULATION.—In order to determine the interest rate for any refinanced Federal Direct Consolidation Loan under paragraph (1)(D), the Secretary shall—

“(i) determine each of the component loans that were originally consolidated in the loan under section 428C or the Federal Direct Consolidation Loan, and calculate the proportion of the unpaid principal balance of the loan under section 428C or the Federal Direct Consolidation Loan that each component loan represents;
“(ii) use the proportions determined in accordance with clause (i) and the interest rate applicable for each component loan, as determined under subparagraph (B), to calculate the weighted average of the interest rates on the loans consolidated into the loan under section 428C or the Federal Direct Consolidation Loan; and

“(iii) apply the weighted average calculated under clause (ii) as the interest rate for the refinanced Federal Direct Consolidation Loan.

“(B) Interest rates for component loans.—The interest rates for the component loans of a loan made under section 428C or a Federal Direct Consolidation Loan shall be the following:

“(i) The interest rate for any loan under section 428 or 428H, Federal Direct Stafford Loan, or Federal Direct Unsubsidized Stafford Loan issued to an undergraduate student shall be a rate equal to the lesser of—

“(I) the rate for Federal Direct Stafford Loans and Federal Direct
Unsubsidized Stafford Loans issued to undergraduate students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017; or

“(II) the original interest rate of the component loan.

“(ii) The interest rate for any loan under section 428 or 428H, Federal Direct Stafford Loan, or Federal Direct Unsubsidized Stafford Loan issued to a graduate or professional student shall be a rate equal to the lesser of—

“(I) the rate for Federal Direct Unsubsidized Stafford Loans issued to graduate or professional students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017; or

“(II) the original interest rate of the component loan.

“(iii) The interest rate for any loan under section 428B or Federal Direct PLUS Loan shall be a rate equal to the lesser of—
“(I) the rate for Federal Direct PLUS Loans for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017; or

“(II) the original interest rate of the component loan.

“(iv) The interest rate for any component loan that is a loan under section 428C or a Federal Direct Consolidation Loan shall be the weighted average of the interest rates that would apply under this subparagraph for each loan comprising the component consolidation loan.

“(v) The interest rate for any eligible loan that is a component of a loan made under section 428C or a Federal Direct Consolidation Loan and is not described in clauses (i) through (iv) shall be the interest rate on the original component loan.

“(3) FIXED RATE.—The applicable rate of interest determined under paragraph (1) for a refinanced loan under this section shall be fixed for the period of the loan.

“(d) TERMS AND CONDITIONS OF LOANS.—
“(1) IN GENERAL.—A loan that is refinanced under this section shall have the same terms and conditions as the original loan, except as otherwise provided in this section.

“(2) NO AUTOMATIC EXTENSION OF REPAYMENT PERIOD.—Refinancing a loan under this section shall not result in the extension of the duration of the repayment period of the loan, and the borrower shall retain the same repayment term that was in effect on the original loan. Nothing in this paragraph shall be construed to prevent a borrower from electing a different repayment plan at any time in accordance with section 455(d)(3).

“(e) DEFINITION OF QUALIFIED BORROWER.—

“(1) IN GENERAL.—For purposes of this section, the term ‘qualified borrower’ means a borrower—

“(A) of a loan under this part or part B for which the first disbursement was made, or the application for a consolidation loan was received, before July 1, 2019; and

“(B) who meets the eligibility requirements based on income or debt-to-income ratio established by the Secretary.
“(2) Income Requirements.—Not later than 180 days after the date of enactment of the Bank on Students Emergency Loan Refinancing Act, the Secretary shall establish eligibility requirements based on income or debt-to-income ratio that take into consideration providing access to refinancing under this section for borrowers with the greatest financial need.

“(f) Notification to Borrowers.—The Secretary, in coordination with the Director of the Bureau of Consumer Financial Protection, shall undertake a campaign to alert borrowers of loans that are eligible for refinancing under this section that the borrowers are eligible to apply for such refinancing. The campaign shall include the following activities:

“(1) Developing consumer information materials about the availability of Federal student loan refinancing.

“(2) Requiring servicers of loans under this part or part B to provide such consumer information to borrowers in a manner determined appropriate by the Secretary, in consultation with the Director of the Bureau of Consumer Financial Protection.
“SEC. 460B. FEDERAL DIRECT REFINANCED PRIVATE LOAN PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) ELIGIBLE PRIVATE EDUCATION LOAN.—The term ‘eligible private education loan’ means a private education loan, as defined in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)), that—

“(A) was disbursed to the borrower before July 1, 2019; and

“(B) was for the borrower’s own postsecondary educational expenses for an eligible program at an institution of higher education participating in the loan program under this part, as of the date that the loan was disbursed.

“(2) FEDERAL DIRECT REFINANCED PRIVATE LOAN.—The term ‘Federal Direct Refinanced Private Loan’ means a loan issued under subsection (b)(1).

“(3) PRIVATE EDUCATIONAL LENDER.—The term ‘private educational lender’ has the meaning given the term in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)).

“(4) QUALIFIED Borrower.—The term ‘qualified borrower’ means an individual who—

“(A) has an eligible private education loan;
“(B) has been current on payments on the eligible private education loan for the 6 months prior to the date of the qualified borrower’s application for refinancing under this section, and is in good standing on the loan at the time of such application;

“(C) is not in default on the eligible private education loan or on any loan made, insured, or guaranteed under this part or part B or E; and

“(D) meets the eligibility requirements described in subsection (b)(2).

“(b) PROGRAM AUTHORIZED.—

“(1) IN GENERAL.—The Secretary, in consultation with the Secretary of the Treasury, shall carry out a program under which the Secretary, upon application by a qualified borrower who has an eligible private education loan, shall issue such borrower a loan under this part in accordance with the following:

“(A) The loan issued under this program shall be in an amount equal to the sum of the unpaid principal, accrued unpaid interest, and late charges of the private education loan.
“(B) The Secretary shall pay the proceeds of the loan issued under this program to the private educational lender of the private education loan, in order to discharge the qualified borrower from any remaining obligation to the lender with respect to the original loan.

“(C) The Secretary shall require that the qualified borrower undergo loan counseling that provides all of the information and counseling required under clauses (i) through (viii) of section 485(b)(1)(A) before the loan is refinanced in accordance with this section, and before the proceeds of such loan are paid to the private educational lender.

“(D) The Secretary shall issue the loan as a Federal Direct Refinanced Private Loan, which shall have the same terms, conditions, and benefits as a Federal Direct Unsubsidized Stafford Loan, except as otherwise provided in this section.

“(2) BORROWER ELIGIBILITY.—Not later than 180 days after the date of enactment of the Bank on Students Emergency Loan Refinancing Act, the Secretary, in consultation with the Secretary of the Treasury and the Director of the Bureau of Con-
sumer Financial Protection, shall establish eligibility requirements—

“(A) based on income or debt-to-income ratio that take into consideration providing access to refinancing under this section for borrowers with the greatest financial need;

“(B) to ensure eligibility only for borrowers in good standing;

“(C) to minimize inequities between Federal Direct Refinanced Private Loans and other Federal student loans;

“(D) to preclude windfall profits for private educational lenders; and

“(E) to ensure full access to the program authorized in this subsection for borrowers with private loans who otherwise meet the criteria established in accordance with subparagraphs (A) and (B).

“(c) INTEREST RATE.—

“(1) IN GENERAL.—The interest rate for a Federal Direct Refinanced Private Loan is—

“(A) in the case of a Federal Direct Refinanced Private Loan for a private education loan originally issued for undergraduate post-secondary educational expenses, a rate equal to
the rate for Federal Direct Stafford Loans and
Federal Direct Unsubsidized Stafford Loans
issued to undergraduate students for the 12-
month period beginning on July 1, 2016, and
ending on June 30, 2017; and

“(B) in the case of a Federal Direct Refi-
nanced Private Loan for a private education
loan originally issued for graduate or profes-
sional degree postsecondary educational ex-
penses, a rate equal to the rate for Federal Di-
rect Unsubsidized Stafford Loans issued to
graduate or professional students for the 12-
month period beginning on July 1, 2016, and
ending on June 30, 2017.

“(2) Combined undergraduate and grad-
uate study loans.—If a Federal Direct Refi-
nanced Private Loan is for a private education loan
originally issued for both undergraduate and grad-
uate or professional postsecondary educational ex-
penses, the interest rate shall be a rate equal to the
rate for Federal Direct PLUS Loans for the 12-
month period beginning on July 1, 2016, and ending
on June 30, 2017.

“(3) Fixed rate.—The applicable rate of in-
terest determined under this subsection for a Fed-
eral Direct Refinanced Private Loan shall be fixed for the period of the loan.

“(d) No Inclusion in Aggregate Limits.—The amount of a Federal Direct Refinanced Private Loan, or a Federal Direct Consolidated Loan to the extent such loan was used to repay a Federal Direct Refinanced Private Loan, shall not be included in calculating a borrower’s annual or aggregate loan limits under section 428 or 428H.

“(e) No Eligibility for Service-related Repayment.—Notwithstanding sections 428K(a)(2)(A), 428L(b)(2), 455(m)(3)(A), and 460(b), a Federal Direct Refinanced Private Loan, or any Federal Direct Consolidation Loan to the extent such loan was used to repay a Federal Direct Refinanced Private Loan, shall not be eligible for any loan repayment or loan forgiveness program under section 428K, 428L, or 460 or for the repayment plan for public service employees under section 455(m).

“(f) Private Educational Lender Reporting Requirement.—

“(1) Reporting required.—Not later than 180 days after the date of enactment of the Bank on Students Emergency Loan Refinancing Act, the Secretary, in consultation with the Secretary of the
Treasury and the Director of the Bureau of Consumer Financial Protection, shall establish a requirement that private educational lenders report the data described in paragraph (2) to the Secretary, to Congress, to the Secretary of the Treasury, and to the Director of the Bureau of Consumer Financial Protection, in order to allow for an assessment of the private education loan market.

“(2) CONTENTS OF REPORTING.—The data that private educational lenders shall report in accordance with paragraph (1) shall include each of the following about private education loans (as defined in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)):

“(A) The total amount of private education loan debt the lender holds.

“(B) The total number of private education loan borrowers the lender serves.

“(C) The average interest rate on the outstanding private education loan debt held by the lender.

“(D) The proportion of private education loan borrowers who are in default on a loan held by the lender.
“(E) The proportion of the outstanding private education loan volume held by the lender that is in default.

“(F) The proportions of outstanding private education loan borrowers who are 30, 60, and 90 days delinquent.

“(G) The proportions of outstanding private education loan volume that is 30, 60, and 90 days delinquent.

“(g) NOTIFICATION TO BORROWERS.—The Secretary, in coordination with the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, shall undertake a campaign to alert borrowers about the availability of private student loan refinancing under this section.”.

(e) AMENDMENTS TO PUBLIC SERVICE REPAYMENT PLAN PROVISIONS.—Section 455(m) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)) is amended—

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

(2) by inserting after paragraph (2) the following:

“(3) SPECIAL RULES FOR SECTION 460A LOANS.—
“(A) REFINANCED FEDERAL DIRECT LOANS.—Notwithstanding paragraph (1), in determining the number of monthly payments that meet the requirements of such paragraph for an eligible Federal Direct Loan refinanced under section 460A that was originally a loan under this part, the Secretary shall include all monthly payments made on the original loan that meet the requirements of such paragraph.

“(B) REFINANCED FFEL LOANS.—In the case of an eligible Federal Direct Loan refinanced under section 460A that was originally a loan under part B, only monthly payments made after the date on which the loan was refinanced may be included for purposes of paragraph (1).”; and

(3) in paragraph (4)(A) (as redesignated by paragraph (1)), by inserting “(including any Federal Direct Stafford Loan, Federal Direct PLUS Loan, Federal Direct Unsubsidized Stafford Loan, or Federal Direct Consolidation Loan refinanced under section 460A)” before the period at the end.

(d) INCOME-BASED REPAYMENT.—Section 493C of the Higher Education Act of 1965 (20 U.S.C. 1098e) is amended by adding at the end the following:
“(f) Special Rule for Refinanced Loans.—

“(1) Refinanced Federal Direct and FFEL Loans.—In calculating the period of time during which a borrower of a loan that is refinanced under section 460A has made monthly payments for purposes of subsection (b)(7), the Secretary shall deem the period to include all monthly payments made for the original loan, and all monthly payments made for the refinanced loan, that otherwise meet the requirements of this section.

“(2) Federal Direct Refinanced Private Loans.—In calculating the period of time during which a borrower of a Federal Direct Refinanced Private Loan under section 460B has made monthly payments for purposes of subsection (b)(7), the Secretary shall include only payments—

“(A) that are made after the date of the issuance of the Federal Direct Refinanced Private Loan; and

“(B) that otherwise meet the requirements of this section.”.
TITLE II—FAIR SHARE TAX

SEC. 201. FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS.

(a) In General.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new part:

“PART VIII—FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS

Sec. 59B. Fair share tax.

“Sec. 59B. Fair share tax.

“SEC. 59B. FAIR SHARE TAX.

“(a) General Rule.—

“(1) Phase-in of tax.—In the case of any high-income taxpayer, there is hereby imposed for a taxable year (in addition to any other tax imposed by this subtitle) a tax equal to the product of—

“(A) the amount determined under paragraph (2), and

“(B) a fraction (not to exceed 1)—

“(i) the numerator of which is the excess of—

“(I) the taxpayer’s adjusted gross income, over

“(II) the dollar amount in effect under subsection (c)(1), and
“(ii) the denominator of which is the dollar amount in effect under subsection (c)(1).

“(2) AMOUNT OF TAX.—The amount of tax determined under this paragraph is an amount equal to the excess (if any) of—

“(A) the tentative fair share tax for the taxable year, over

“(B) the excess of—

“(i) the sum of—

“(I) the regular tax liability (as defined in section 26(b)) for the taxable year, determined without regard to any tax liability determined under this section,

“(II) the tax imposed by section 55 for the taxable year, plus

“(III) the payroll tax for the taxable year, over

“(ii) the credits allowable under part IV of subchapter A (other than sections 27(a), 31, and 34).

“(b) TENTATIVE FAIR SHARE TAX.—For purposes of this section—
“(1) IN GENERAL.—The tentative fair share tax for the taxable year is 30 percent of the excess of—

“(A) the adjusted gross income of the taxpayer, over

“(B) the modified charitable contribution deduction for the taxable year.

“(2) MODIFIED CHARITABLE CONTRIBUTION DEDUCTION.—For purposes of paragraph (1)—

“(A) IN GENERAL.—The modified charitable contribution deduction for any taxable year is an amount equal to the amount which bears the same ratio to the deduction allowable under section 170 (section 642(c) in the case of a trust or estate) for such taxable year as—

“(i) the amount of itemized deductions allowable under the regular tax (as defined in section 55) for such taxable year, determined after the application of section 68, bears to

“(ii) such amount, determined before the application of section 68.

“(B) TAXPAYER MUST ITEMIZE.—In the case of any individual who does not elect to itemize deductions for the taxable year, the
modified charitable contribution deduction shall be zero.

“(c) HIGH-INCOME TAXPAYER.—For purposes of this section—

“(1) IN GENERAL.—The term ‘high-income taxpayer’ means, with respect to any taxable year, any taxpayer (other than a corporation) with an adjusted gross income for such taxable year in excess of $1,000,000 (50 percent of such amount in the case of a married individual who files a separate return).

“(2) INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—In the case of a taxable year beginning after 2020, the $1,000,000 amount under paragraph (1) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2019’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

“(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple
of $10,000, such amount shall be rounded to
the next lowest multiple of $10,000.

“(d) PAYROLL TAX.—For purposes of this section,
the payroll tax for any taxable year is an amount equal
to the excess of—

“(1) the taxes imposed on the taxpayer under
sections 1401, 1411, 3101, 3201, and 3211(a) (to
the extent such tax is attributable to the rate of tax
in effect under section 3101) with respect to such
taxable year or wages or compensation received dur-
ing such taxable year, over

“(2) the deduction allowable under section
164(f) for such taxable year.

“(e) SPECIAL RULE FOR ESTATES AND TRUSTS.—
For purposes of this section, in the case of an estate or
trust, adjusted gross income shall be computed in the
manner described in section 67(e).

“(f) NOT TREATED AS TAX IMPOSED BY THIS CHAP-
TER FOR CERTAIN PURPOSES.—The tax imposed under
this section shall not be treated as tax imposed by this
chapter for purposes of determining the amount of any
credit under this chapter (other than the credit allowed
under section 27(a)) or for purposes of section 55.”.
(b) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

“PART VIII—FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

TITLE III—DEFICIT NEUTRAL IMPLEMENTATION OF STUDENT LOAN REFINANCING PROGRAMS

SEC. 301. DEFICIT NEUTRAL IMPLEMENTATION OF STUDENT LOAN REFINANCING PROGRAMS; BUDGETARY EFFECTS.

(a) AMOUNT OF REVENUE.—The Secretary of Education shall estimate the amount that is equal to the amount of the net increase in revenue received in the Treasury during the 10-year period beginning on the date of enactment of this Act attributable to the amendments made by title II of this Act.

(b) DEFICIT-NEUTRAL TERMINATION OF THE REFINANCING PROGRAM.—The Secretary of Education shall terminate the refinancing programs carried out under sections 460A and 460B of the Higher Education Act of 1965 on the date that the net cost of carrying out such refinancing programs is equal to the amount of additional
revenue estimated under subsection (a) or on the date that
is 2 years after the date of enactment of this Act, which-
ever occurs first.

(c) DEFICIT REDUCTION.—Any remaining increase
in revenue described in subsection (a) and not used for
the refinancing programs carried out under sections 460A
and 460B of the Higher Education Act of 1965 shall be
returned to the general fund of the Treasury for Federal
budget deficit reduction.

(d) METHODOLOGY.—When estimating cost and rev-

ene under this section, the Secretary of Education shall
utilize the accounting methods and assumptions that are
used by the Congressional Budget Office, as of the date
of enactment of this Act, to make such estimations.

SEC. 302. BUDGETARY EFFECTS.

The budgetary effects of this Act and the amend-
ments made by this Act shall not be entered on either
PAYGO scorecard maintained pursuant to section 4(d) of
the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C.
933(d)).