

110TH CONGRESS  
1ST SESSION

# S. 1718

To amend the Servicemembers Civil Relief Act to provide for reimbursement to servicemembers of tuition for programs of education interrupted by military service, for deferment of students loans and reduced interest rates for servicemembers during periods of military service, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 27, 2007

Mr. BROWN (for himself and Mr. SALAZAR) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

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## A BILL

To amend the Servicemembers Civil Relief Act to provide for reimbursement to servicemembers of tuition for programs of education interrupted by military service, for deferment of students loans and reduced interest rates for servicemembers during periods of military service, and for other purposes.

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

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Veterans Education  
5 Tuition Support Act” or the “VETS Act”.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress makes the following find-  
3 ings:

4 (1) There is no more important cause than the  
5 defense of the United States.

6 (2) Since 2003, nearly 1,300,000 members of  
7 the Armed Forces have served in Iraq or Afghani-  
8 stan and over 420,000 members of the Armed  
9 Forces in the National Guard and Reserve have been  
10 called to active duty.

11 (3) The men and women of the Armed Forces  
12 put their lives on hold, leave their families, jobs, and  
13 postsecondary education in order to serve the United  
14 States, and do so with distinction.

15 (4) In 2005, 500,000 veterans claimed edu-  
16 cation benefits from the Department of Veterans Af-  
17 fairs and approximately 47,000 of those veterans are  
18 members of the National Guard or Reserve and re-  
19 cently returned from serving in the Armed Forces in  
20 Iraq or Afghanistan.

21 (5) Many members of the Armed Forces depend  
22 on various forms of financial aid in addition to their  
23 Montgomery GI Bill benefits to help fund their col-  
24 lege education.

25 (6) The 6 percent interest rate cap on all debts  
26 of members of the Armed Forces called to active

1 duty guaranteed by the Servicemembers Civil Relief  
2 Act (50 U.S.C. App. 501 et seq.) has been inter-  
3 preted narrowly by the Secretary of Education not  
4 to apply to Federal student loans.

5 (7) Members of the Armed Forces who return  
6 from deployment overseas in the Armed Forces and  
7 who are unable to continue immediately a program  
8 of education that they were forced to discontinue be-  
9 cause of such deployment are being forced to begin  
10 making payments on their private students loans  
11 only 1 month after such return.

12 (8) The transition from service in the Armed  
13 Forces in a combat theater to a classroom is a dif-  
14 ficult challenge and should not be rushed merely to  
15 avoid paying back student loans.

16 (9) As of the date of the enactment of this Act,  
17 colleges are not required to make reasonable accom-  
18 modations for students who are called to active duty  
19 in the Armed Forces, such as tuition reimbursement  
20 and relaxation of requirements for reenrollment.

21 (10) Members of the Armed Forces who return  
22 from deployment overseas and attempt to reenroll in  
23 a program of education are overwhelmed with bu-  
24 reaucracy.

1           (11) Studies have shown that symptoms of  
2 post-traumatic stress disorder (PTSD) and other  
3 non-apparent injuries may take up to a year to  
4 manifest.

5           (12) Members of the Armed Forces deserve to  
6 have at least a full academic year to reintegrate into  
7 society before they are required to begin paying back  
8 student loans.

9           (13) Members of the Armed Forces who fight  
10 to protect the United States deserve a Government  
11 that fights to protect them.

12       (b) PURPOSES.—The purposes of this Act are—

13           (1) to assist members of the Armed Forces who  
14 return from a deployment to transition from military  
15 service to civilian life and to undertake programs of  
16 education they were forced to discontinue because of  
17 such deployment;

18           (2) to provide a 13-month transition period for  
19 such members to reenroll in such a program of edu-  
20 cation and to begin paying back student loans un-  
21 dertaken for such program of education;

22           (3) to institute a 6 percent interest rate cap on  
23 student loans of a member of the Armed Forces  
24 while such member is deployed on active duty; and



1           “(2) provide such servicemember an oppor-  
2           tunity to reenroll in such program of education with  
3           the same educational and academic status such  
4           servicemember had when such servicemember discon-  
5           tinued such program of education because of such  
6           military service.

7           “(b) DEFERMENT OF REPAYMENT OF LOANS.—In  
8           the case of a servicemember who because of military serv-  
9           ice discontinues a program of education at an institution  
10          of higher education, the following rules shall apply to a  
11          provider of student loans who has provided a student loan  
12          to such servicemember that is not in payment status on  
13          the date the period of military service begins:

14                 “(1) If such servicemember reenrolls in the pro-  
15                 gram of education (or a comparable program) within  
16                 13 months following the period of military service,  
17                 the provider shall disregard the entire period the  
18                 program of education was discontinued in deter-  
19                 mining the date on which repayment of the student  
20                 loan is to begin.

21                 “(2) If such servicemember does not so reenroll,  
22                 the provider shall not require repayment of the stu-  
23                 dent loan to begin before the later of the last day  
24                 of such 13-month period or the date the repayment  
25                 was to begin without regard to this subsection.

1       “(c) INTEREST RATE LIMITATION ON STUDENT  
2 LOANS.—

3               “(1) IN GENERAL.—Except as provided in para-  
4 graph (2) of this subsection, a student loan shall be  
5 considered an obligation or liability for the purposes  
6 of section 207.

7               “(2) EXCEPTION.—Subsection (c) of section  
8 207 shall not apply to a student loan.

9       “(d) DEFINITIONS.—In this section:

10              “(1) The term ‘Federal financial aid program’  
11 means a program providing loans made, insured, or  
12 guaranteed under part B, D, or E of title IV of the  
13 Higher Education Act of 1965 (20 U.S.C. 1077 et  
14 seq., 1087a et seq., 1087aa et seq.).

15              “(2) The term ‘institution of higher education’  
16 means a 2-year or 4-year institution of higher edu-  
17 cation as defined in section 102 of the Higher Edu-  
18 cation Act of 1965 (20 U.S.C. 1002).

19              “(3) The term ‘student loan’ means any loan,  
20 whether Federal, State, or private, to assist an indi-  
21 vidual to attend an institution of higher education,  
22 including a loan made, insured, or guaranteed under  
23 part B, D, or E of title IV of the Higher Education  
24 Act of 1965 (20 U.S.C. 1077 et seq., 1087a et seq.,  
25 1087aa et seq.).”.

1           (b) CLERICAL AMENDMENT.—The table of contents  
2 in section (1)(b) of such Act is amended by adding at the  
3 end the following new item:

“Sec. 707. Tuition, reenrollment, and student loan relief for postsecondary stu-  
dents called to military service.”.

4           (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall take effect for periods of military service  
6 beginning after the date of the enactment of this section.

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