

108TH CONGRESS
1ST SESSION

H. R. 501

To establish a student loan forgiveness program for nurses.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2003

Mr. TANCREDO (for himself and Ms. LORETTA SANCHEZ of California) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To establish a student loan forgiveness program for nurses.

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 “Nurse Loan Forgive-
5 ness Act of 2003”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) According to 2001 statistics from the Amer-
9 ican Hospital Association, 126,000 nurses are cur-
10 rently needed to fill vacancies at our nation’s hos-

1 pitals. Today, fully 75 percent of all hospital per-
2 sonnel vacancies are for nurses.

3 (2) According to the Journal of the American
4 Medical Association (2000), the U.S. will experience
5 a 20 percent shortage in the number of nurses need-
6 ed in the U.S. health care system by the year 2020.
7 This translates into a shortage of more than
8 400,000 registered nurses nationwide.

9 (3) Research indicates that there is a greater
10 need for health care services, especially hospitals and
11 prescription drugs, but there continues to be a 28
12 percent decrease in national licensure examination
13 for all entry-level registered nurses.

14 (4) The U.S. Department of Labor projects a
15 21 percent increase in the need for nurses nation-
16 wide from 1998 to 2008, compared with a 14 per-
17 cent increase for all other occupations.

18 (5) The General Accounting Office estimates
19 that 40 percent of all registered nurses will be older
20 than age 50 by the year 2010.

21 (6) Of those registered nurses in 2000, an esti-
22 mated 18 percent have chosen to pursue other career
23 paths.

24 (7) According to a 2001 issue of Health Af-
25 fairs, many nurses report they are dissatisfied with

1 their current position. One out of every 3 hospital
2 nurses under the age of 30 are planning to leave
3 their current job in the next year.

4 **SEC. 3. ESTABLISHMENT OF PROGRAM.**

5 (a) STAFFORD LOANS.—Part B of title IV of the
6 Higher Education Act of 1965 is amended by inserting
7 after section 428K (20 U.S.C. 1078–11) the following new
8 section:

9 **“SEC. 428L. LOAN FORGIVENESS FOR NURSES.**

10 “(a) STATEMENT OF PURPOSE.—It is the purpose of
11 this section to encourage individuals to enter and continue
12 in the nursing profession.

13 “(b) PROGRAM AUTHORIZED.—From the amount ap-
14 propriated under subsection (g) for any fiscal year, the
15 Secretary shall, in accordance with subsection (c), carry
16 out a program, through the holder of the loan, of assum-
17 ing the obligation to repay a qualified loan amount for
18 a loan made under section 428 or 428H for any borrower
19 who—

20 “(1) has been employed for a calendar year as
21 a full-time registered nurse in a health care facility
22 or a health care setting approved by the Secretary
23 of Health and Human Services for purposes of this
24 section; and

1 “(2) is not in default on a loan for which the
2 borrower seeks forgiveness.

3 “(c) QUALIFIED LOANS AMOUNT.—

4 “(1) IN GENERAL.—Of the aggregate of the
5 loan obligation on a loan made under section 428 or
6 428H that is outstanding to an individual who meets
7 the requirements of subsection (b), the Secretary
8 may, from funds appropriated under subsection (g),
9 repay not more than—

10 “(A) \$2,000 after the first calendar year
11 of employment described in subsection (b)(1);

12 “(B) \$2,500 after the second such year of
13 employment;

14 “(C) \$3,000 after the third such year of
15 employment;

16 “(D) \$4,500 after the fourth such year of
17 employment; and

18 “(E) \$5,000 after the fifth such year of
19 employment.

20 “(2) AWARD BASIS.—The Secretary shall make
21 payments under this subsection on a first-come first-
22 served basis, subject to the availability of appropria-
23 tions.

24 “(3) TREATMENT OF CONSOLIDATION LOANS.—

25 A loan amount for a loan made under section 428C

1 may be a qualified loan amount for the purposes of
2 this subsection only to the extent that such loan
3 amount was used to repay a Federal Direct Stafford
4 Loan, a Federal Direct Unsubsidized Stafford Loan,
5 or a loan made under section 428 or 428H for a
6 borrower who meets the requirements of subsection
7 (b), as determined in accordance with regulations
8 prescribed by the Secretary.

9 “(d) REGULATIONS.—The Secretary is authorized to
10 issue such regulations as may be necessary to carry out
11 the provisions of this section.

12 “(e) CONSTRUCTION.—Nothing in this section shall
13 be construed to authorize any refunding of any repayment
14 of a loan.

15 “(f) PREVENTION OF DOUBLE BENEFITS.—

16 “(1) NATIONAL AND COMMUNITY SERVICE.—No
17 borrower may, for the same service, receive a benefit
18 under both this subsection and subtitle D of title I
19 of the National and Community Service Act of 1990
20 (42 U.S.C. 12571 et seq.).

21 “(2) DIRECT LOAN FORGIVENESS.—No bor-
22 rower may receive a reduction of loan obligations
23 under both this section and section 460A.

24 “(g) AUTHORIZATION OF APPROPRIATIONS.—For fis-
25 cal year 2004 and for each of the 9 succeeding fiscal years,

1 there are authorized to be appropriated such sums as may
2 be necessary to repay loans in the amounts specified in
3 subsection (c)(1).”.

4 (b) DIRECT LOANS.—Part D of title IV of the Higher
5 Education Act of 1965 is amended by inserting after sec-
6 tion 460 (20 U.S.C. 1087j) the following new section:

7 **“SEC. 460A. LOAN FORGIVENESS FOR NURSES.**

8 “(a) STATEMENT OF PURPOSE.—It is the purpose of
9 this section to encourage individuals to enter and continue
10 in the nursing profession.

11 “(b) PROGRAM AUTHORIZED.—From the amount ap-
12 propriated under subsection (g) for any fiscal year, the
13 Secretary shall carry out a program of canceling the obli-
14 gation to repay a qualified loan amount in accordance with
15 subsection (c) for Federal Direct Stafford Loans and Fed-
16 eral Direct Unsubsidized Stafford Loans made under this
17 part for any borrower who—

18 “(1) has been employed for a calendar year as
19 a full-time registered nurse in a health care facility
20 or a health care setting approved by the Secretary
21 of Health and Human Services for purposes of this
22 section; and

23 “(2) is not in default on a loan for which the
24 borrower seeks forgiveness.

25 “(c) QUALIFIED LOANS AMOUNT.—

1 “(1) IN GENERAL.—Of the aggregate of the
2 loan obligation on a Federal Direct Stafford Loan or
3 a Federal Direct Unsubsidized Stafford Loan that is
4 outstanding to an individual who meets the require-
5 ments of subsection (b), the Secretary may, from
6 funds appropriated under subsection (g), repay not
7 more than—

8 “(A) \$2,000 after the first calendar year
9 of employment described in subsection (b)(1);

10 “(B) \$2,500 after the second such year of
11 employment;

12 “(C) \$3,000 after the third such year of
13 employment;

14 “(D) \$4,500 after the fourth such year of
15 employment; and

16 “(E) \$5,000 after the fifth such year of
17 employment.

18 “(2) AWARD BASIS.—The Secretary shall make
19 payments under this subsection on a first-come first-
20 served basis, subject to the availability of appropria-
21 tions.

22 “(3) TREATMENT OF CONSOLIDATION LOANS.—
23 A loan amount for a Federal Direct Consolidation
24 Loan may be a qualified loan amount for the pur-
25 poses of this subsection only to the extent that such

1 loan amount was used to repay a Federal Direct
2 Stafford Loan, a Federal Direct Unsubsidized Staf-
3 ford Loan, or a loan made under section 428 or
4 428H for a borrower who meets the requirements of
5 subsection (b), as determined in accordance with
6 regulations prescribed by the Secretary.

7 “(d) REGULATIONS.—The Secretary is authorized to
8 issue such regulations as may be necessary to carry out
9 the provisions of this section.

10 “(e) CONSTRUCTION.—Nothing in this section shall
11 be construed to authorize any refunding of any repayment
12 of a loan.

13 “(f) PREVENTION OF DOUBLE BENEFITS.—

14 “(1) NATIONAL AND COMMUNITY SERVICE.—No
15 borrower may, for the same service, receive a benefit
16 under both this subsection and subtitle D of title I
17 of the National and Community Service Act of 1990
18 (42 U.S.C. 12571 et seq.).

19 “(2) STAFFORD LOAN FORGIVENESS.—No bor-
20 rower may receive a reduction of loan obligations
21 under both this section and section 428L.

22 “(g) AUTHORIZATION OF APPROPRIATIONS.—For fis-
23 cal year 2004 and for each of the 9 succeeding fiscal years,
24 there are authorized to be appropriated such sums as may

1 be necessary to repay loans in the amounts specified in
2 subsection (e)(1).”.

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