

119TH CONGRESS
1ST SESSION

S. _____

To provide Federal student loan borrower relief for Federal employees.

IN THE SENATE OF THE UNITED STATES

Ms. ALSOBROOKS (for herself, Mr. VAN HOLLEN, Ms. WARREN, Mr. BLUMENTHAL, Mr. WARNER, Ms. HIRONO, Mr. WYDEN, Mr. KIM, and Mr. MARKEY) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To provide Federal student loan borrower relief for Federal employees.

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 “Shutdown Student
5 Loans for Feds Act”.

6 **SEC. 2. FEDERAL STUDENT LOAN BORROWER RELIEF FOR**
7 **FEDERAL EMPLOYEES.**

8 (a) DEFINITIONS.—In this section—

1 (1) the term “agency” means each authority of
2 the executive, legislative, or judicial branch of the
3 Government of the United States; and

4 (2) the term “covered individual”—

5 (A) means an employee of an agency, with-
6 out regard to whether the employee is, during
7 a period during which there is a lapse in appro-
8 priations with respect to the agency—

9 (i) determined to be an excepted em-
10 ployee or an employee performing emer-
11 gency work, as those terms are defined by
12 the Office of Personnel Management; or

13 (ii) subject to furlough;

14 (B) includes a contractor who—

15 (i) as part of the ordinary job duties
16 of the individual, provides support to any
17 employee described in subparagraph (A);
18 and

19 (ii) during a lapse in appropriations
20 with respect to the applicable agency, does
21 not provide the services described in clause
22 (i); and

23 (C) does not include an individual de-
24 scribed in subparagraph (A) or (B) who, during
25 a period during which there is a lapse in appro-

1 prios with respect to the applicable agency,
2 is paid the basic pay ordinarily payable to the
3 individual.

4 (b) RELIEF.—During any period in fiscal year 2026
5 or any subsequent fiscal year during which there is a lapse
6 in appropriations of not less than 14 days with respect
7 to an agency, the Secretary of Education shall suspend
8 all payments due by covered individuals for loans made
9 under part D of title IV of the Higher Education Act of
10 1965 (20 U.S.C. 1087a et seq.).

11 (c) NO ACCRUAL OF INTEREST.—Notwithstanding
12 any other provision of the Higher Education Act of 1965
13 (20 U.S.C. 1001 et seq.), interest shall not accrue on a
14 loan described under subsection (b) for which payment
15 was suspended for the period of the suspension.

16 (d) CONSIDERATION OF PAYMENTS.—Notwith-
17 standing any other provision of the Higher Education Act
18 of 1965 (20 U.S.C. 1001 et seq.), the Secretary shall deem
19 each month for which a loan payment was suspended
20 under this section as if the borrower of the loan had made
21 a payment for the purpose of any loan forgiveness pro-
22 gram authorized under part D of title IV of the Higher
23 Education Act of 1965 (20 U.S.C. 1087a et seq.) for
24 which the borrower would have otherwise qualified.

1 (e) REPORTING TO CONSUMER REPORTING AGEN-
2 CIES.—During the period in which the Secretary suspends
3 payments on a loan under subsection (b), the Secretary
4 shall ensure that, for the purpose of reporting information
5 about the loan to a consumer reporting agency, any pay-
6 ment that has been suspended is treated as if it were a
7 regularly scheduled payment made by a covered individual.

8 (f) RETROACTIVE EFFECTIVE DATE.—

9 (1) IN GENERAL.—This Act shall take effect as
10 if enacted on September 30, 2025.

11 (2) REFUNDS.—The Secretary of Education
12 may issue a refund for any loan payment made by
13 a covered individual—

14 (A) for a loan made under part D of title
15 IV of the Higher Education Act of 1965 (20
16 U.S.C. 1087a et seq.) during any period in fis-
17 cal year 2026 or any subsequent fiscal year
18 during which there is a lapse in appropriations
19 of not less than 14 days with respect to the
20 agency at which the individual is an employee;
21 and

22 (B) if requested by such covered indi-
23 vidual.