

119TH CONGRESS
1ST SESSION

S. 2982

To suspend the enforcement of certain civil liabilities of Federal employees and contractors during a lapse in appropriations, or during a breach of the statutory debt limit, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 7, 2025

Mr. SCHATZ (for himself, Mr. SCHUMER, Mr. DURBIN, Mr. PADILLA, Mr. SANDERS, Mr. VAN HOLLEN, Mr. BLUMENTHAL, Mrs. GILLIBRAND, Ms. ALSOBROOKS, Ms. WARREN, Ms. DUCKWORTH, Ms. HIRONO, Mr. KAINE, Ms. BALDWIN, Ms. CORTEZ MASTO, Ms. KLOBUCHAR, Mr. BOOKER, Mr. HEINRICH, and Mr. WARNER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To suspend the enforcement of certain civil liabilities of Federal employees and contractors during a lapse in appropriations, or during a breach of the statutory debt limit, 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 “Federal Employees
5 Civil Relief Act”.

1 **SEC. 2. PURPOSE.**

2 The purpose of this Act is to provide for the tem-
3 porary suspension of judicial and administrative pro-
4 ceedings and transactions that may adversely affect the
5 civil rights of Federal workers during a shutdown.

6 **SEC. 3. DEFINITIONS.**

7 In this Act:

8 (1) CONSUMER REPORTING AGENCY.—The term
9 “consumer reporting agency” has the meaning given
10 the term in section 603(f) of the Fair Credit Report-
11 ing Act (15 U.S.C. 1681a(f)).

12 (2) CONTRACTOR.—The term “contractor” has
13 the meaning given the term in section 7101 of title
14 41, United States Code.

15 (3) COURT; JUDGMENT; STATE.—The terms
16 “court”, “judgment”, and “State” have the mean-
17 ings given those terms in section 101 of the
18 Servicemembers Civil Relief Act (50 U.S.C. 3911).

19 (4) COVERED PERIOD.—The term “covered pe-
20 riod” means the period beginning on the date on
21 which a shutdown begins and ending on the date
22 that is 30 days after the date on which that shut-
23 down ends.

24 (5) FEDERAL WORKER.—The term “Federal
25 worker”—

1 (A) means an employee of a Government
2 agency; and

3 (B) includes an employee of a contractor.

4 (6) GOVERNMENT AGENCY.—The term “Gov-
5 ernment agency” means each authority of the execu-
6 tive, legislative, or judicial branch of the Government
7 of the United States.

8 (7) SHUTDOWN.—The term “shutdown” means
9 any period in which—

10 (A) there is more than a 24-hour lapse in
11 appropriations for any Government agency or
12 Federal department as a result of a failure to
13 enact a regular appropriations bill or continuing
14 resolution; or

15 (B) the debt of the United States Govern-
16 ment is greater than the statutory limit under
17 section 3101 of title 31, United States Code.

18 **SEC. 4. JURISDICTION.**

19 (a) JURISDICTION.—This Act shall apply to—

20 (1) the United States;

21 (2) each of the States, including each political
22 subdivision of a State; and

23 (3) all territory that is subject to the jurisdic-
24 tion of the United States.

25 (b) APPLICABILITY TO PROCEEDINGS.—This Act—

1 (1) shall apply to any judicial or administrative
 2 proceeding that is commenced in any court or agen-
 3 cy in any jurisdiction that is subject to this Act; and

4 (2) shall not apply to criminal proceedings or
 5 with respect to child support payments.

6 (c) COURT IN WHICH APPLICATION MAY BE
 7 MADE.—When, under this Act, any application is required
 8 to be made to a court in which no proceeding has already
 9 been commenced with respect to a matter, that application
 10 may be made to any court that would otherwise have juris-
 11 diction over the matter.

12 (d) NOTIFICATION.—

13 (1) IN GENERAL.—The head of the Government
 14 agency that employs a Federal worker, or at which
 15 a Federal worker performs services, as applicable,
 16 shall provide the Federal worker with written notice
 17 regarding the benefits provided under this Act—

18 (A) on the date on which the individual be-
 19 comes a Federal worker; and

20 (B) periodically after the date described in
 21 subparagraph (A), including on the date on
 22 which any shutdown begins.

23 (2) LEGISLATIVE AND JUDICIAL BRANCH.—
 24 With respect to a Federal worker in a Government
 25 agency in the legislative branch or judicial branch

1 (or, in the case of a Federal worker who is an em-
2 ployee of a contractor, who provides services at a
3 Government agency in the legislative branch or judi-
4 cial branch), the officer or employee at the Govern-
5 ment agency who has the final authority to appoint,
6 hire, discharge, and set the terms, conditions, or
7 privileges of the employment of the Federal worker
8 shall provide the notice required under paragraph
9 (1).

10 **SEC. 5. ANTICIPATORY RELIEF.**

11 A Federal worker who is furloughed or required to
12 work without pay during a shutdown may apply to a court
13 for a temporary stay, postponement, or suspension with
14 respect to any payment of rent, mortgage, tax, fine, pen-
15 alty, insurance premium, student loan repayment, or other
16 civil obligation or liability that the Federal worker or indi-
17 vidual, as applicable, owes or would owe during the dura-
18 tion of the shutdown.

19 **SEC. 6. EVICTIONS.**

20 (a) COURT-ORDERED EVICTION.—Except by the
21 order of a court, a landlord may not, during a shutdown—

22 (1) evict a Federal worker from premises that
23 are occupied or intended to be occupied primarily as
24 a residence; or

1 (2) subject premises described in paragraph (1)
2 to a distress.

3 (b) STAY OF EXECUTION.—

4 (1) COURT AUTHORITY.—Upon an application
5 for eviction or distress with respect to premises de-
6 scribed in subsection (a)(1), a court may, upon mo-
7 tion of the court, and shall, if a request is made by
8 or on behalf of a Federal worker, the ability of
9 whom to pay the rent that is the subject of the ac-
10 tion is materially affected by a shutdown—

11 (A) stay the proceedings for a period of 30
12 days, unless, in the opinion of the court, justice
13 and equity require a longer or shorter period of
14 time; or

15 (B) adjust the obligation under the lease to
16 preserve the interests of all parties.

17 (2) RELIEF TO LANDLORD.—If a court grants
18 a stay under paragraph (1), the court may grant to
19 the landlord (or other person with paramount title)
20 such relief as equity may require.

21 (c) MISDEMEANOR.—Except as provided in sub-
22 section (a), a person that knowingly takes part in an evic-
23 tion or distress described in that subsection, or that know-
24 ingly attempts to take part in an eviction or distress de-
25 scribed in that subsection, shall be fined as provided in

1 title 18, United States Code, or imprisoned for not more
 2 than 1 year, or both.

3 **SEC. 7. MORTGAGE PROTECTION AND FORECLOSURES.**

4 (a) DEFINITION.—In this section, the term “covered
 5 action” means an action relating to an obligation—

6 (1) with respect to real or personal property
 7 owned by a Federal worker; and

8 (2) that—

9 (A) originated before the date on which a
 10 shutdown begins;

11 (B) is in effect on the date on which a
 12 shutdown begins; and

13 (C) is secured by a mortgage, trust deed,
 14 or other security in the nature of a mortgage.

15 (b) STAY OF PROCEEDINGS AND ADJUSTMENT OF
 16 OBLIGATION.—If a covered action is filed in a court dur-
 17 ing a covered period, the court may, after a hearing and
 18 upon the motion of the court, and shall, upon application
 19 by the Federal worker if the ability of the Federal worker
 20 to comply with the covered obligation is materially affected
 21 by the shutdown—

22 (1) stay the proceedings for a period of time as
 23 justice and equity require; or

24 (2) adjust the obligation to preserve the inter-
 25 ests of all parties.

1 (c) SALE OR FORECLOSURE.—A sale, foreclosure, or
 2 seizure of property for a breach of an obligation described
 3 in subsection (a) by a Federal worker shall not be valid
 4 if made during a covered period except upon the order of
 5 a court that is granted before that sale, foreclosure, or
 6 seizure, as applicable, with a return made and approved
 7 by the court.

8 (d) MISDEMEANOR.—A person that knowingly makes
 9 or causes to be made a sale, foreclosure, or seizure of prop-
 10 erty that is prohibited under subsection (c), or that know-
 11 ingly attempts to make or cause to be made a sale, fore-
 12 closure, or seizure of property that is prohibited under
 13 that subsection, shall be fined as provided in title 18,
 14 United States Code, or imprisoned for not more than 1
 15 year, or both.

16 **SEC. 8. LIENS.**

17 (a) LIENS.—

18 (1) DEFINITION.—In this subsection, the term
 19 “lien” includes—

20 (A) a lien—

21 (i) for storage, repair, or cleaning of
 22 the property or effects of a Federal work-
 23 er; and

1 (ii) on the property or effects de-
 2 scribed in clause (i) for any reason other
 3 than a reason described in that clause; and
 4 (B) a loan that a Federal worker has ob-
 5 tained with respect to a motor vehicle.

6 (2) LIMITATION ON FORECLOSURE OR EN-
 7 FORCEMENT.—A person holding a lien on the prop-
 8 erty or effects of a Federal worker may not, during
 9 a covered period, foreclose on or enforce that lien
 10 without the order of a court that was issued before
 11 the date on which that foreclosure or enforcement
 12 occurs.

13 (b) STAY OF PROCEEDINGS.—In a proceeding to
 14 foreclose on or enforce a lien that is subject to this section,
 15 a court may, upon the motion of the court, and shall, if
 16 requested by a Federal worker, the ability of whom to
 17 comply with the obligation resulting in the proceeding is
 18 materially affected by a shutdown—

19 (1) stay the proceeding for a period of time as
 20 justice and equity require; or

21 (2) adjust the obligation to preserve the inter-
 22 ests of all parties.

23 (c) MISDEMEANOR.—A person that knowingly takes
 24 an action that violates this section, or attempts to take
 25 an action that violates this section, shall be fined as pro-

1 vided in title 18, United States Code, or imprisoned for
 2 not more than 1 year, or both.

3 **SEC. 9. STUDENT LOANS.**

4 (a) DEFINITION OF STUDENT LOAN.—In this sec-
 5 tion, the term “student loan” means the following:

6 (1) A loan made, insured, or guaranteed under
 7 title IV of the Higher Education Act of 1965 (20
 8 U.S.C. 1070 et seq.), including any Federal Direct
 9 Stafford Loan, Federal Direct Unsubsidized Staf-
 10 ford Loan, Federal Direct PLUS Loan, or Federal
 11 Direct Consolidation Loan.

12 (2) A private education loan, as such term is
 13 defined in section 140(a) of the Truth in Lending
 14 Act (15 U.S.C. 1650(a)).

15 (b) APPLICATION TO STUDENT LOANS.—This section
 16 shall apply to any situation in which—

17 (1) the student loan payment of a Federal
 18 worker falls due or remains unpaid during a shut-
 19 down; and

20 (2) during the shutdown described in paragraph
 21 (1), the Federal worker described in that paragraph
 22 has been furloughed or required to work without
 23 pay.

24 (c) DEFERMENT ELIGIBILITY.—During a covered pe-
 25 riod, a Federal worker shall be eligible for deferment, dur-

1 ing which, with respect to a student loan, periodic install-
 2 ments of principal need not be paid and interest shall not
 3 accrue.

4 (d) LIMITATION ON DEFAULTS.—If the student loan
 5 payment of a Federal worker falls due and remains unpaid
 6 during a shutdown, the lender with respect to the student
 7 loan may not place the loan in default without the order
 8 of a court.

9 (e) LIMITATION ON COLLECTIONS.—If the student
 10 loan of a Federal worker has been placed in default before
 11 the date on which a shutdown begins, the lender with re-
 12 spect to the student loan may not, without the order of
 13 a court, perform any of the following activities during the
 14 covered period with respect to the shutdown:

15 (1) Send the student loan to collection.

16 (2) Report adverse information with respect to
 17 the Federal worker to a consumer reporting agency.

18 (3) Garnish wages, tax refunds, or government
 19 benefits.

20 (f) COURT STAY.—In a proceeding to collect a stu-
 21 dent loan payment that is subject to this section, a court
 22 may, upon the motion of the court, and shall, if requested
 23 by a Federal worker whose ability to comply with the obli-
 24 gation resulting in the proceeding is materially affected
 25 by a shutdown—

1 (1) stay the proceeding for a period of time as
2 justice and equity require; or

3 (2) adjust the obligation to preserve the inter-
4 ests of all parties.

5 (g) MISDEMEANOR.—A person that knowingly vio-
6 lates this section, or attempts to violate this section, shall
7 be fined as provided in title 18, United States Code, or
8 imprisoned for not more than 1 year, or both.

9 **SEC. 10. INCOME TAXES.**

10 (a) DEFERRAL OF TAX.—Upon notice to the Internal
11 Revenue Service, the collection of Federal income tax on
12 the income of a Federal worker falling due during a shut-
13 down shall be deferred for a period of not more than 90
14 days after the date on which the shutdown ends if the
15 ability of the Federal worker to pay the income tax is ma-
16 terially affected by the shutdown.

17 (b) ACCRUAL OF INTEREST OR PENALTY.—No inter-
18 est or penalty shall accrue during the period of deferment
19 under subsection (a) by reason of nonpayment on any
20 amount of tax deferred under this section.

21 (c) STATUTE OF LIMITATIONS.—The running of a
22 statute of limitations against the collection of tax deferred
23 under this section, by seizure or otherwise, shall be sus-
24 pended for the covered period with respect to the shut-
25 down to which the collection applies.

1 (d) APPLICATION LIMITATION.—This section shall
 2 not apply to the tax imposed on employees under section
 3 3101 of the Internal Revenue Code of 1986.

4 **SEC. 11. INSURANCE PROTECTION.**

5 (a) DEFINITION.—In this section, the term “covered
 6 insurance policy” means a policy—

7 (1) for—

8 (A) health insurance;

9 (B) life insurance;

10 (C) disability insurance; or

11 (D) motor vehicle insurance; and

12 (2) that—

13 (A) a Federal worker enters into before the
 14 date on which a shutdown begins; and

15 (B) is in effect during a shutdown.

16 (b) INSURANCE PROTECTION.—Without the order of
 17 a court, a covered insurance policy shall not lapse or other-
 18 wise terminate or be forfeited because a Federal worker
 19 does not pay a premium, or interest or indebtedness on
 20 a premium, under the policy that is due during a covered
 21 period with respect to a shutdown.

22 **SEC. 12. PROTECTION OF RIGHTS.**

23 (a) EXERCISE OF RIGHTS UNDER CHAPTER NOT TO
 24 AFFECT CERTAIN FUTURE FINANCIAL TRANSACTIONS.—
 25 An application by a Federal worker for, or the receipt by

1 a Federal worker of, a stay, postponement, or suspension
2 under this Act with respect to the payment of a fine, pen-
3 alty, insurance premium, or other civil obligation or liabil-
4 ity of that Federal worker shall not itself (without regard
5 to other considerations) provide the basis for any of the
6 following:

7 (1) A determination by a lender or other person
8 that the Federal worker is unable to pay the civil ob-
9 ligation or liability, as applicable, in accordance with
10 the terms of the obligation or liability.

11 (2) With respect to a credit transaction between
12 a creditor and the Federal worker—

13 (A) a denial or revocation of credit by the
14 creditor;

15 (B) a change by the creditor in the terms
16 of an existing credit arrangement; or

17 (C) a refusal by the creditor to grant cred-
18 it to the Federal worker in substantially the
19 amount or on substantially the terms requested.

20 (3) An adverse report relating to the credit-
21 worthiness of the Federal worker by or to a person
22 engaged in the practice of assembling or evaluating
23 consumer credit information.

24 (4) A refusal by an insurer to insure the Fed-
25 eral worker.

1 (5) A change in the terms offered or conditions
2 required for the issuance of insurance.

3 (b) REDUCTION OR WAIVER OF FINES OR PEN-
4 ALTIES.—If a Federal worker fails to perform an obliga-
5 tion arising under a contract and a penalty is incurred
6 arising from that nonperformance, a court may reduce or
7 waive the fine or penalty if—

8 (1) the Federal worker was furloughed or re-
9 quired to work without pay during a shutdown on
10 the date on which the fine or penalty was incurred;
11 and

12 (2) the ability of the Federal worker to perform
13 the obligation was materially affected by the shut-
14 down described in paragraph (1).

15 (c) COURT ACTION UPON MATERIAL EFFECT DE-
16 TERMINATION.—If a court determines that a Federal
17 worker is materially affected by a shutdown in complying
18 with a judgment or an order of a court, the court may,
19 upon the motion of the court, and shall, on application
20 by the Federal worker—

21 (1) stay the execution of any judgment or order
22 entered against the Federal worker; and

23 (2) vacate or stay an attachment or garnish-
24 ment of property, money, or debts in the possession

1 of the Federal worker or a third party, whether be-
2 fore or after the entry of a judgment.

3 (d) DEPENDENTS.—Upon application to a court, a
4 dependent of a Federal worker is entitled to the protec-
5 tions under this Act if the ability of the dependent to com-
6 ply with a lease, contract, bailment, or other obligation
7 is materially affected by reason of the impact of a shut-
8 down on the Federal worker.

9 **SEC. 13. ENFORCEMENT.**

10 (a) CIVIL ACTION.—The Attorney General may com-
11 mence a civil action in any appropriate district court of
12 the United States against any person that engages in—

13 (1) a pattern or practice of violating this Act;
14 or

15 (2) a violation of this Act that raises an issue
16 of significant public importance.

17 (b) RELIEF.—In a civil action commenced under sub-
18 section (a), a court may—

19 (1) grant any appropriate equitable or declara-
20 tory relief with respect to the violation of this Act;

21 (2) award all other appropriate relief, including
22 monetary damages, to any person aggrieved by the
23 violation described in paragraph (1); and

24 (3) to vindicate the public interest, assess a civil
25 penalty—

1 (A) in an amount that is not more than
2 \$55,000 for a first violation; and

3 (B) in an amount that is not more than
4 \$110,000 for any subsequent violation.

5 (c) INTERVENTION.—Upon timely application, a per-
6 son that is aggrieved by a violation of this Act with respect
7 to which a civil action is commenced under subsection (a)
8 may—

9 (1) intervene in the action; and

10 (2) obtain such appropriate relief as the person
11 could obtain in a civil action under subsection (d)
12 with respect to that violation, along with costs and
13 a reasonable attorney fee.

14 (d) PRIVATE RIGHT OF ACTION.—Any person that,
15 after the date of enactment of this Act, is aggrieved by
16 a violation of this Act may, in a civil action—

17 (1) obtain any appropriate equitable or declara-
18 tory relief with respect to the violation; and

19 (2) recover all other appropriate relief, includ-
20 ing monetary damages.

21 (e) COSTS AND ATTORNEY FEES.—A court may
22 award to a person aggrieved by a violation of this Act that
23 prevails in an action brought under subsection (d) the
24 costs of the action, including a reasonable attorney fee.

1 (f) NO PREEMPTION.—Nothing in this section may
2 be construed to preclude or limit any remedy otherwise
3 available under other law, including consequential and pu-
4 nitive damages.

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