

116TH CONGRESS
2^D SESSION

H. R. 7872

To amend the Higher Education Act of 1965 to authorize institutions of higher education to limit the amount of a Federal loan that an enrolled student may borrow.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2020

Mr. GROTHMAN introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Act of 1965 to authorize institutions of higher education to limit the amount of a Federal loan that an enrolled student may borrow.

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 “Responsible Borrowing
5 Act of 2020”.

6 **SEC. 2. INSTITUTIONAL DETERMINED LIMITS.**

7 Section 455(a) of the Higher Education Act of 1965
8 (20 U.S.C. 1087e(a)) is amended by adding at the end
9 the following new paragraph:

1 “(4) INSTITUTIONAL DETERMINED LIMITS.—

2 “(A) IN GENERAL.—Notwithstanding any
3 other provision of this Act, an institution of
4 higher education (at the discretion of a finan-
5 cial aid administrator at the institution) may
6 prorate or limit the amount of a loan any stu-
7 dent enrolled in a program of study at that in-
8 stitution may borrow under this part for an
9 academic year—

10 “(i) if the institution can reasonably
11 demonstrate that student debt levels are or
12 would be excessive for such program by
13 using the most recently available data for
14 the average starting salary in the region in
15 which the institution is located for typical
16 occupations pursued by graduates of such
17 program from the Bureau of Labor Statis-
18 tics, the applicable State agency, or the in-
19 stitution;

20 “(ii) in a case in which the student is
21 enrolled on a less than full-time basis or
22 the student is enrolled for less than the pe-
23 riod of enrollment to which the annual loan
24 limit applies under this part, based on the
25 student’s enrollment status;

1 “(iii) based on the credential level
2 (such as a degree, certificate, or other rec-
3 ognized educational credential) that the
4 student would attain upon completion of
5 such program; or

6 “(iv) based on the year of the pro-
7 gram for which the student is seeking such
8 loan.

9 “(B) INCREASES FOR INDIVIDUAL STU-
10 DENTS.—Upon the request of a student whose
11 loan amount for an academic year has been
12 prorated or limited under subparagraph (A), an
13 eligible institution (at the discretion of the fi-
14 nancial aid administrator at the institution)
15 may increase such loan amount to an amount
16 not exceeding the annual loan amount applica-
17 ble to such student under this part for such
18 academic year if such student demonstrates
19 special circumstances or exceptional need.

20 “(C) RULE OF CONSTRUCTION.—Nothing
21 in this paragraph shall be construed to author-
22 ize a proration or limiting of loan amounts by
23 an institution of higher education because of a

1 student's race, color, religion, sex, marital sta-
2 tus, age, disability, or national origin.”.

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