

118TH CONGRESS
1ST SESSION

H. R. 3414

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

MAY 17, 2023

Mr. GROTHMAN (for himself, Ms. TENNEY, Mr. LAMALFA, Mr. TIFFANY, and Mr. OWENS) introduced the following bill; which was referred to the Committee on Education and the Workforce

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 2023”.

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 or in the aggregate—

10 “(i) if the institution can reasonably
11 demonstrate that student debt levels are or
12 would be excessive for such program, based
13 on—

14 “(I) the most recently available
15 data from the Bureau of Labor Sta-
16 tistics for the average or median
17 starting salary in the region in which
18 the institution is located for typical
19 occupations pursued by graduates of
20 such program; or

21 “(II) the most recently available
22 data from the College Scorecard (or
23 successor website) on the median
24 earnings of students who complete
25 such program;

1 “(ii) in a case in which the student is
2 enrolled on a less than full-time basis or
3 the student is enrolled for less than the pe-
4 riod of enrollment to which the annual loan
5 limit applies under this part, based on the
6 student’s enrollment status;

7 “(iii) based on the credential level
8 (such as a degree, certificate, or other rec-
9 ognized educational credential) that the
10 student would attain upon completion of
11 such program; or

12 “(iv) based on the year of the pro-
13 gram for which the student is seeking such
14 loan.

15 “(B) INCREASES FOR INDIVIDUAL STU-
16 DENTS.—Upon the request of a student whose
17 loan amount for an academic year has been
18 prorated or limited under subparagraph (A), an
19 eligible institution (at the discretion of the fi-
20 nancial aid administrator at the institution)
21 may increase such loan amount to an amount
22 not exceeding the annual loan amount applica-
23 ble to such student under this part for such
24 academic year at the discretion of the financial
25 aid administrator at the institution.

1 “(C) RULE OF CONSTRUCTION.—Nothing
2 in this paragraph shall be construed to author-
3 ize a proration or limiting of loan amounts by
4 an institution of higher education because of a
5 student’s race, color, religion, sex, marital sta-
6 tus, age, disability, or national origin.

7 “(D) EXCEPTION FOR CERTAIN STU-
8 DENTS.—This paragraph shall not apply to any
9 student enrolled in a program of study at an el-
10 igible institution as of June 30, 2024, or any
11 loans made under this part to such student for
12 such enrollment, during the period required for
13 the completion of such program.”.

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