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118TH CONGRESS
2D SESSION

H. R. 9441

To amend the Higher Education Act of 1965 to reduce the maximum interest rates for Federal Direct student loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 30, 2024

Mr. MOSKOWITZ (for himself and Mrs. LUNA) introduced the following bill; which was referred to the Committee on Education and the Workforce

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A BILL

To amend the Higher Education Act of 1965 to reduce the maximum interest rates for Federal Direct student loans, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Student Loan Interest Cap Act''.

SEC. 2. REDUCTION OF MAXIMUM INTEREST RATES FOR FEDERAL DIRECT STUDENT LOANS.

Section 455(b) of the Higher Education Act of 1965 (20 U.S.C. 1087e(b)) is amended—

(1) by redesignating paragraphs (9) and (10) as paragraphs (10) and (11), respectively; and

(2) by inserting after paragraph (8) the following;

"(9) INTEREST RATE PROVISIONS FOR NEW LOANS ON OR AFTER JULY 1, 2024.—

"(A) RATE FOR FDSL, FDUSL, AND PLUS LOANS.—

"(i) Notwithstanding the preceding paragraphs of this subsection, for a loan specified in clause (ii) for which the first disbursement is made on or after July 1, 2024, the applicable rate of interest shall not exceed 3 percent.

"(ii) The loans specified in this clause are the following:

"(I) Federal Direct Stafford Loans.

"(II) Federal Direct Unsubsidized Stafford Loans.

"(III) Federal Direct PLUS Loans.

"(B) RATE FOR CONSOLIDATION LOANS.— Notwithstanding the preceding paragraphs of this subsection, any Federal Direct Consolidation Loan for which the application is received on or after July 1, 2024, shall bear interest at an annual rate of not more than 3 percent on the unpaid principal balance of the loan, regardless of the interest rates of the loans consolidated by such Federal Direct Consolidation Loan.''.

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