To prevent class-based loan forgiveness for Federal student loans under title IV of the Higher Education Act of 1965 without the explicit appropriation of funds by Congress for such purpose.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 19, 2022

Mr. DAVIDSON (for himself, Mr. CLYDE, Mr. TIFFANY, Mr. ROY, Mr. WEBER of Texas, Mr. TAYLOR, Mrs. LESKO, Mr. WESTERMAN, Mr. NORMAN, Mr. BABIN, Mrs. BOEBERT, Mr. HARRIS, and Mr. CAREY) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To prevent class-based loan forgiveness for Federal student loans under title IV of the Higher Education Act of 1965 without the explicit appropriation of funds by Congress for such purpose.

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 “Debt Cancellation Ac-
5 countability Act of 2022”.

SEC. 2. PROHIBITION ON CLASS-BASED LOAN FORGIVENESS WITHOUT PROPER APPROVAL.

Part G of title IV of the Higher Education Act of 1965 (20 U.S.C. 1088 et seq.) is amended by adding at the end the following:

“SEC. 494A. PROHIBITION ON CLASS-BASED LOAN FORGIVENESS WITHOUT PROPER APPROVAL.

“(a) DEFINITIONS.—In this section:

“(1) CLASS-BASED LOAN FORGIVENESS.—

“(A) IN GENERAL.—The term ‘class-based loan forgiveness’ means the cancellation, waiver, assumption, discharge, reduction, or other forgiveness of any obligation due on covered loans—

“(i) on a class-wide basis and for a class of 2 or more covered loan borrowers; and

“(ii) that totals more than $1,000,000.

“(B) EXCEPTION FOR EXISTING TARGETED LOAN FORGIVENESS PROGRAMS.—The term ‘class-based loan forgiveness’ does not include a targeted program of loan forgiveness explicitly established under this Act and in effect on the day before the date of enactment of the Debt Cancellation Accountability Act of 2022,
if the cancellation, waiver, assumption, discharge, reduction, or other forgiveness of any obligation due on a covered loan is—

“(i) granted for a single covered loan borrower; and

“(ii) based upon an individualized, case-by-case determination of the covered loan borrower’s—

“(I) eligibility for the targeted loan forgiveness; and

“(II) satisfaction of all terms and conditions precedent to receive the targeted loan forgiveness.

“(2) COVERED LOAN.—The term ‘covered loan’ means a loan made, insured, or guaranteed under part B, D, or E.

“(b) LIMITATION ON DEPARTMENT AUTHORITY.—

Notwithstanding any other provision of this Act or any other law, the Secretary shall have no authority to provide class-based loan forgiveness unless funds have been specifically requested and appropriated for the purpose through the process described in subsection (c).

“(c) REQUEST AND APPROPRIATION PROCESS.—

“(1) IN GENERAL.—The Secretary shall not provide any class-based loan forgiveness until—
“(A) the Secretary has submitted a request under paragraph (2); and

“(B) funds have been specifically appropriated for such request by Congress through an appropriations Act or other law.

“(2) REQUEST.—In any case where the Secretary determines class-based loan forgiveness is necessary, the Secretary shall submit to the authorizing committees, the Committee on Appropriations of the Senate, and the Committee on Appropriations of the House of Representatives a written request that describes—

“(A) the number of covered loan borrowers in the class and the aggregate amount of the covered student loan obligations that will be cancelled, waived, assumed, discharged, reduced, or otherwise forgiven through the class-based loan forgiveness;

“(B) the particular reason for the class-based loan forgiveness;

“(C) the legal authority, including the identification of any authorizing statute or rule, of the Department to grant such class-based loan forgiveness; and
“(D) the particular reason the student loan obligations are being cancelled, waived, assumed, discharged, reduced, or otherwise forgiven on a collective basis, rather than through a case-by-case assessment.

“(3) Resubmission of request.—If funds for a class-based loan forgiveness request submitted under paragraph (2) are not specifically appropriated under an appropriations Act or other law during the fiscal year for which the request is submitted—

“(A) the request shall expire; and

“(B) if the Secretary desires the request to be reconsidered in a future fiscal year, the Secretary shall resubmit the request for such fiscal year.”.