

To amend the Higher Education Act of 1965 to begin weaning students, and taxpayer dollars, off of obscenely and dangerously high college loan limits.

IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2019

Mr. SPANO (for himself, Mr. DELANEY, Mr. KATKO, Ms. CASTOR and Ms. WILSON of Florida, Ms. BASS, Mr. COHEN, Mr. KILDEE, and Mr. GOHMERT) introduced the following bill; which was referred to the Committee on the Judiciary; and, then, to the Committee on Education & the Workforce

**A BILL**

To amend and extend the Higher Education Act of 1965.

*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 “Freedom from dangerous, risky, & very obscenely high Loan Limits Act of 2019.”

**Section 2. PURPOSE.**

This bill's purpose is to begin to reverse the adverse effects of §422 of H.R.507 (109th CONGRESS), the “College Access and Opportunity Act of 2005,” a chief cause of this crippling & massive college debt, which American college students are currently experiencing—and which costs taxpayers, who make and/or back such loans. Obscenely large higher education loans benefited only the banks & universities, and otherwise distorted the Free Market with increased subsidies, in the form of increases in taxpayer-backed college loans, and defeated the prior Conservative Free Market checks/balances against predatory lending, tuition inflation, etc. **[Note:** This is a fictitious bill, merely suggesting what *should* be done. ~Gordon Wayne Watts / [GordonWatts.com](http://GordonWatts.com) / [gordonWAYNEwatts.com](http://gordonWAYNEwatts.com)]

**Section 3. LOAN LIMITS ; LOAN TERMS AND CONDITIONS.**

**(a) FEDERAL INSURANCE LIMITS.**—Section 425(a)(1)(A) [20 U.S.C. 1075(a)(1)(A)] is amended—

- (1) in clause (i)(I), by striking “\$3,500” and inserting “\$2,625”; and
- (2) in clause (ii)(I), by striking “\$4,500” and inserting “\$3,500”.

**(b) GUARANTEE LIMITS.**—Section 428(b)(1)(A) [20 U.S.C. 1078(b)(1)(A)] is amended—

- (1) in clause (i)(I), by striking “\$3,500” and inserting “\$2,625”; and
- (2) in clause (ii)(I), by striking “\$4,500” and inserting “\$3,500”.

**(c) LOAN LIMITS.**—Section 464(a) [20 U.S.C. 1087dd(a)] is amended—

**(1) in paragraph (2)(A)—**

- (A) by striking “\$5,500” in clause (i) and inserting “\$4,000”; and
- (B) by striking “\$8,000” in clause (ii) and inserting “\$6,000”; and

**(2) in paragraph (2)(B)—**

- (A) by striking “\$60,000” in clause (i) and inserting “\$40,000”;
- (B) by striking “\$27,500” in clause (ii) and inserting “\$20,000”; and
- (C) by striking “\$11,000” in clause (iii) and inserting “\$8,000”.

**Section 4. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.**

(a) Effective date.—The amendments made by this Act shall take effect immediately, e.g., on the date of the enactment of this Act.

(b) Application of amendments.—The amendments made by this Act shall apply to all public higher education loans (those made and/or guaranteed directly by the government) and all private loans, except in such cases where the private loans are tantamount and equal in terms to 'Credit Card' loans (e.g., lack all guarantees by the federal government for reimbursement in the event of default, have all standard consumer protections, such as statutes of limitations and bankruptcy on 'standard' terms, not to be confused with the 'Undue Hardship' standard).

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