

118TH CONGRESS  
1ST SESSION

# S. 72

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.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 25, 2023

Mr. SCOTT of Florida (for himself, Ms. LUMMIS, Mr. BARRASSO, Mrs. BLACKBURN, and Mr. BRAUN) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## 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 2023”.

1 **SEC. 2. PROHIBITION ON CLASS-BASED LOAN FORGIVE-**  
 2 **NESS WITHOUT PROPER APPROVAL.**

3 Part G of title IV of the Higher Education Act of  
 4 1965 (20 U.S.C. 1088 et seq.) is amended by adding at  
 5 the end the following:

6 **“SEC. 494A. PROHIBITION ON CLASS-BASED LOAN FORGIVE-**  
 7 **NESS WITHOUT PROPER APPROVAL.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) CLASS-BASED LOAN FORGIVENESS.—

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

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

18 “(ii) that totals more than  
 19 \$1,000,000.

20 “(B) EXCEPTION FOR EXISTING TAR-  
 21 GETED LOAN FORGIVENESS PROGRAMS.—The  
 22 term ‘class-based loan forgiveness’ does not in-  
 23 clude a targeted program of loan forgiveness ex-  
 24 plicitly established under this Act and in effect  
 25 before January 1, 2022, if the cancellation,  
 26 waiver, assumption, discharge, reduction, or

1 other forgiveness of any obligation due on a  
2 covered loan is—

3 “(i) granted for a single covered loan  
4 borrower who has submitted an application  
5 to the Department that includes an attes-  
6 tation of compliance with all conditions  
7 and requirements of the applicable loan  
8 forgiveness program; and

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

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

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

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

20 “(b) LIMITATION ON DEPARTMENT AUTHORITY.—  
21 Notwithstanding any other provision of this Act or any  
22 other law, the Secretary shall have no authority to provide  
23 class-based loan forgiveness unless funds have been spe-  
24 cifically requested and appropriated for the purpose  
25 through the process described in subsection (c).

1 “(c) REQUEST AND APPROPRIATION PROCESS.—

2 “(1) IN GENERAL.—The Secretary shall not  
3 provide any class-based loan forgiveness until—

4 “(A) the Secretary has submitted a request  
5 under paragraph (2); and

6 “(B) funds have been specifically appro-  
7 priated for such request by Congress through  
8 an appropriations Act or other law.

9 “(2) REQUEST.—In any case where the Sec-  
10 retary determines class-based loan forgiveness is  
11 necessary, the Secretary shall submit to the author-  
12 izing committees, the Committee on Appropriations  
13 of the Senate, and the Committee on Appropriations  
14 of the House of Representatives a written request  
15 that describes—

16 “(A) the number of covered loan borrowers  
17 in the class and the aggregate amount of the  
18 covered student loan obligations that will be  
19 cancelled, waived, assumed, discharged, re-  
20 duced, or otherwise forgiven through the class-  
21 based loan forgiveness;

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

24 “(C) the legal authority, including the  
25 identification of any authorizing statute or rule,

1 of the Department to grant such class-based  
2 loan forgiveness; and

3 “(D) the particular reason the student  
4 loan obligations are being cancelled, waived, as-  
5 sumed, discharged, reduced, or otherwise for-  
6 given on a collective basis, rather than through  
7 a case-by-case assessment.

8 “(3) RESUBMISSION OF REQUEST.—If funds for  
9 a class-based loan forgiveness request submitted  
10 under paragraph (2) are not specifically appro-  
11 priated under an appropriations Act or other law  
12 during the fiscal year for which the request is sub-  
13 mitted—

14 “(A) the request shall expire; and

15 “(B) if the Secretary desires the request to  
16 be reconsidered in a future fiscal year, the Sec-  
17 retary shall resubmit the request for such fiscal  
18 year.”.

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