

117TH CONGRESS
2D SESSION

S. _____

To amend the Higher Education Act of 1965 to require institutions of higher education to repay a portion of student law default, to make student loan debts dischargeable in bankruptcy, and for other purposes.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To amend the Higher Education Act of 1965 to require institutions of higher education to repay a portion of student law default, to make student loan debts dischargeable in bankruptcy, and for other purposes.

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 “Make the Universities
5 Pay Act”.

1 **SEC. 2. INSTITUTIONS OF HIGHER EDUCATION REPAYING A**
2 **PORTION OF STUDENT LOAN DEBTS.**

3 Section 454 of the Higher Education Act of 1965 (20
4 U.S.C. 1087d) is amended by adding at the end the fol-
5 lowing:

6 “(d) INSTITUTIONS OF HIGHER EDUCATION REPAY-
7 ING A PORTION OF STUDENT LOAN DEBTS.—

8 “(1) IN GENERAL.—Each institution of higher
9 education participating in the direct student loan
10 program under this part for a fiscal year shall be
11 liable for 50 percent of any student loan balance
12 that is in default for a loan made under this part
13 that was used towards the cost of attendance at the
14 institution.

15 “(2) OFFSET EXCEPTION.—An institution of
16 higher education shall not increase the costs of tui-
17 tion at the institution, charge any additional fee to
18 students, or otherwise increase the cost of attend-
19 ance at the institution in order to offset the liability
20 of the institution under paragraph (1) unless there
21 is an equivalent percentage decrease in administra-
22 tive expenses at the institution.”.

1 **SEC. 3. MAKING STUDENT LOAN DEBTS DISCHARGEABLE**
2 **IN BANKRUPTCY.**

3 (a) EXCEPTIONS TO DISCHARGE.—Section 523(a) of
4 title 11, United States Code, is amended by striking para-
5 graph (8) and inserting the following:

6 “(8) for an educational benefit overpayment or
7 loan made, insured, or guaranteed by a govern-
8 mental unit, or made under any program funded in
9 whole or in part by a governmental unit or nonprofit
10 institution, or for an obligation to repay funds re-
11 ceived as an educational benefit, scholarship, or sti-
12 pend received from a governmental unit or nonprofit
13 institution, unless—

14 “(A) excepting such debt from discharge
15 under this paragraph would impose an undue
16 hardship on the debtor and the debtor’s de-
17 pendents;

18 “(B) in the case of such an education ben-
19 efit overpayment or loan for undergraduate
20 education, the first payment on such debt be-
21 came due before the 5-year period (exclusive of
22 any applicable suspension of the repayment pe-
23 riod) ending on the date of the filing of the pe-
24 tition; or

25 “(C) in the case of such an education ben-
26 efit overpayment or loan for graduate edu-

1 cation, the first payment on such debt became
2 due before the 15-year period (exclusive of any
3 applicable suspension of the repayment period)
4 ending on the date of the filing of the peti-
5 tion;”.

6 (b) APPLICATION.—The amendment made by sub-
7 section (a) shall apply to any proceeding under title 11,
8 United States Code, that is initiated on or after the date
9 that is 180 days after the date of enactment of this Act.

10 **SEC. 4. ENSURING TRANSPARENCY OF STUDENT OUT-**
11 **COMES.**

12 Section 487 of the Higher Education Act of 1965 (20
13 U.S.C. 1094) is amended—

14 (1) in subsection (a), by adding at the end the
15 following:

16 “(30) The institution will, not later than Sep-
17 tember 30, 2023, and annually thereafter, comply
18 with the following:

19 “(A) Produce and transmit to the Sec-
20 retary statistical analysis using the statistical
21 sampling method developed under subsection
22 (k) that consists of the following measures of
23 post-collegiate graduate outcomes for the insti-
24 tution as a whole and disaggregated by each de-
25 gree or program of study offered by the institu-

1 tion at time intervals of 1 year, 5 years, and 15
2 years after graduation:

3 “(i) Mean and median earnings of
4 graduates.

5 “(ii) Student loan default rates of
6 graduates.

7 “(B) Publish and make available to the
8 public the statistical analysis produced under
9 subparagraph (A) on the website of the institu-
10 tion, within 2 clicks of the homepage and with-
11 out a paywall, email login, or other restriction
12 to access.”; and

13 (2) by adding at the end the following:

14 “(k) ENSURING TRANSPARENCY OF STUDENT OUT-
15 COMES.—

16 “(1) DEVELOPMENT OF STATISTICAL SAMPLING
17 METHOD.—The Secretary shall—

18 “(A) develop a statistical sampling method
19 to be used by institutions of higher education in
20 fulfilling the requirement described in sub-
21 section (a)(30); and

22 “(B) establish a searchable database acces-
23 sible to the public of all analyses transmitted to
24 the Secretary pursuant to subsection (a)(30)

1 that can be sorted by institution and degree or
2 program of study.

3 “(2) AUDIT AND INVESTIGATION AUTHORITY.—

4 The Inspector General of the Department may audit
5 and investigate the veracity of statistical analysis
6 transmitted to the Secretary by an institution of
7 higher education.”.