

S 909

Responsible Student Loan Solutions Act

Congress: 113 (2013–2015, Ended)

Chamber: Senate

Policy Area: Education

Introduced: May 8, 2013

Current Status: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

Latest Action: Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (May 8, 2013)

Official Text: https://www.congress.gov/bill/113th-congress/senate-bill/909

Sponsor

Name: Sen. Reed, Jack [D-RI]

Party: Democratic • State: RI • Chamber: Senate

Cosponsors (3 total)

| Cosponsor | Party / State | Role | Date Joined |
|--------------------------------|---------------|------|--------------|
| Sen. Durbin, Richard J. [D-IL] | D · IL | | May 8, 2013 |
| Sen. Schatz, Brian [D-HI] | D · HI | | Jun 17, 2013 |
| Sen. McCaskill, Claire [D-MO] | D · MO | | Jul 11, 2013 |

Committee Activity

| Committee | Chamber | Activity | Date |
|--|---------|-------------|-------------|
| Health, Education, Labor, and Pensions Committee | Senate | Referred To | May 8, 2013 |

Subjects & Policy Tags

Policy Area:

Education

Related Bills

| Bill | Relationship | Last Action |
|-------------|----------------|---|
| 113 HR 1946 | Identical bill | Jul 8, 2013: Referred to the Subcommittee on Higher Education and Workforce Training. |

Responsible Student Loan Solutions Act - Amends title IV (Student Assistance) of the Higher Education Act of 1965 to limit the unpaid amount of Direct Stafford loans that students may amass before completing their undergraduate education. Varies that limit on the basis of whether a student is a dependent student, independent student, or dependent student whose parents are unable to borrow a Direct PLUS loan.

Limits the amount of Direct Stafford loans that students may borrow in any academic year before the completion of their undergraduate studies. Varies that limit on the basis of whether a student: (1) is a dependent student, independent student, or dependent student whose parents are unable to borrow a Direct PLUS loan; and (2) has or has not successfully completed the first year or first and second years of their undergraduate studies.

Sets the annual interest rate on Direct loans at the bond equivalent rate on 91-day Treasury bills plus a percentage that: (1) represents the total cost of administering the Direct Loan program and borrower benefits, and (2) results in the program being revenue neutral for the applicable 12-month period. Allows the Secretary of Education to use different percentages under that formula for the Direct Stafford Loan, Unsubsidized Stafford Loan, PLUS Loan, and Consolidation Loan programs.

Caps the annual interest rate for Direct Stafford loans at 6.8%, and for Direct Unsubsidized Stafford loans and Direct PLUS and Consolidation loans at 8.25%

Directs the Secretary to charge the borrower of a Direct PLUS loan an origination fee of up to 3% of the loan principal.

Limits the applicability of the preceding provisions to loans first disbursed on or after July 1, 2013.

Authorizes the Secretary to refinance federal PLUS and Stafford loans to permit borrowers to obtain an interest rate determined pursuant to this Act's provisions.

Allows the Secretary to charge borrowers an administrative fee for refinancing such loans that does not exceed 0.5% of the loan principal.

Actions Timeline

- **May 8, 2013:** Introduced in Senate
- **May 8, 2013:** Sponsor introductory remarks on measure. (CR S3260-3261)
- **May 8, 2013:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.