



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

MAR - 5 2019

Mr. Gordon Watts

Gww1210@gmail.com

Dear Mr. Watts:

Thank you for your email to Secretary of Education Betsy DeVos regarding proposals to allow Federal student loan borrowers to discharge student loans in bankruptcy and to lower the amount a student can borrow. Your email has been forwarded to the Office of Postsecondary Education for review, and I am pleased to respond.

Thank you for sharing your ideas with us. You asked whether the Department is in favor of lowering the maximum amount that a student can borrow in Federal student loans. The provisions for Federal student loans are authorized under Title IV of the Higher Education Act of 1965, as amended (HEA). Any change in the eligibility requirements, including decreasing loan limits, would require a change to the HEA by the U. S. Congress. The Department of Education is not authorized to change loan limits absent statutory provisions to do so.

In your email, you also ask whether the U.S. Department of Education (Department) supports H.R. 770, "Discharge Student Loans in Bankruptcy Act of 2019." The bill proposes amendments to bankruptcy provisions that would allow borrowers of student loans to include their student loans in bankruptcy proceedings. H.R. 770 would amend bankruptcy laws that the Department does not regulate or enforce. The Department of Justice has jurisdiction over laws pertaining to bankruptcy.

The Department shares your concern about the impact of high college costs on student indebtedness, and it is committed to providing tools for students to compare college costs. The Department publishes a "College Scorecard" for all degree-granting institutions that presents clear information for students and families to help them choose a college that is best suited to their needs. You can access it at: <https://collegescorecard.ed.gov>.

Thank you again for writing regarding student loan debt and bankruptcy.

Sincerely,

Lynn B. Mahaffie
Deputy Assistant Secretary for
Policy, Planning, and Innovation

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The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.