

## #A Bill to Restructure the Educational Grant and Loan System of the United States

Be it ENACTED by the United States Senate and House of Representatives, in Congress Assembled.

### \*\*SECTION I. LONG TITLE\*\*

A. This bill may be cited as “A Bill to Restructure the Educational Grant and Loan System of the United States”.

### \*\*SECTION II. SHORT TITLE\*\*

A. This bill may be cited as the Student Loan Elimination Act, or SLEA.

### \*\*SECTION III. DEFINITIONS\*\*

A. “Student loan” shall refer to the borrowing of money from the United States federal government by an individual for the purpose of pursuing higher education.

B. “Grant” shall refer to money given to a student by the federal government, either as a lump sum or credit, for the purposes of pursuing higher education.

C. “Higher education” shall be defined as a degree or certificate obtained from a college or trade school.

D. “Student debt” shall refer to debt accrued by an individual and owed to the federal government, taken for the purpose of pursuing higher education.

### \*\*SECTION IV. CANCELLATION OF STUDENT DEBT\*\*

A. No individual with current outstanding student debt shall be required to pay the total of said debt should their annual household income be below \$100,000, and no penalty shall be held for the individual’s failure to do so

B. The outstanding debt of each individual shall decrease by \$50,000 every year should their annual household income be between \$100,000 and \$250,000.

>i. This deduction shall occur on the first of January every year following the passage of this act.

### \*\*SECTION V. RESTRUCTURING THE FEDERAL STUDENT AID SYSTEM\*\*

A. All future student loans issued shall be repaid solely through a tax-based method, to be established by the Secretary of the Treasury.

>i. These taxes shall not exceed 15% of the individual’s personal income.

B. \$10,000,000 shall be allocated to the Department of Education for the purpose of issuing grants to individuals in need.

>i. The Department will issue these grants based on need, in accordance with guidelines set by the Secretary of Education.

**\*\*SECTION VI. IMPLEMENTATION\*\***

A. This act shall take effect immediately.

B. All provisions of this act are severable. Should a clause be struck from law, the rest shall remain.

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This act was authored and sponsored by Senator Zairn (D-SR).