

119TH CONGRESS
1ST SESSION

H. R. 967

To amend title 38, United States Code, to allow individuals who are entitled to Post-9/11 educational assistance to use such assistance to repay Federal student loans.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 2025

Mr. STEUBE introduced the following bill; which was referred to the
Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to allow individuals who are entitled to Post-9/11 educational assistance to use such assistance to repay Federal student loans.

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 “Modern GI Bill Act”.

5 **SEC. 2. USE OF POST-9/11 EDUCATIONAL ASSISTANCE TO**
6 **REPAY FEDERAL STUDENT LOANS.**

7 (a) **AUTHORITY.**—Subchapter II of chapter 33 of title
8 38, United States Code, is amended by inserting after sec-
9 tion 3320 the following new section:

1 **“§ 3320A. Use of educational assistance benefits for**
2 **the repayment of Federal student loans**

3 “(a) USE OF BENEFITS.—Notwithstanding any other
4 provision of this chapter, an individual who is entitled to
5 educational assistance for tuition or fees under this sub-
6 chapter may apply amounts of such educational assistance
7 to repay some or all of the outstanding balance of prin-
8 cipal and interest due on a Federal student loan to the
9 individual.

10 “(b) MAXIMUM ANNUAL AMOUNT; ANNUAL ADJUST-
11 MENT.—(1) Payment of educational assistance under this
12 section to an individual during fiscal year 2026 may not
13 exceed \$15,900.

14 “(2) In each fiscal year after fiscal year 2026, the
15 dollar amount in paragraph (1) shall be increased by the
16 same percentage as the percentage by which benefit
17 amounts payable under title II of the Social Security Act
18 (42 U.S.C. 401 et seq.) are increased effective December
19 1 of that year as a result of a determination under section
20 215(i) of such Act (42 U.S.C. 415(i)).

21 “(c) MONTHLY PAYMENTS: MAXIMUM AMOUNT;
22 MAXIMUM NUMBER.—(1) The Secretary shall make
23 monthly payments under this section in such amounts as
24 an individual who is entitled to educational assistance for
25 tuition or fees under this subchapter may elect for the re-
26 payment of a Federal student loan to that individual. No

1 such amount may exceed one-twelfth of the maximum an-
 2 nual amount calculated under subsection (b)(1).

3 “(2) The total number of months of payments for the
 4 repayment of a Federal student loan to an individual
 5 under this section may not exceed 36 months.

6 “(d) BENEFIT NON-TRANSFERABLE.—Notwith-
 7 standing section 3319 of this title, an individual who is
 8 entitled to educational assistance under this section may
 9 not transfer such assistance to another individual.

10 “(e) ELIGIBLE PAYEES.—The Secretary shall make
 11 payments of educational assistance under this section di-
 12 rectly to the lender of the Federal student loan of the indi-
 13 vidual who is entitled to educational assistance under this
 14 section.

15 “(f) ARRANGEMENTS TO MAKE PAYMENTS; REGULA-
 16 TIONS.—The Secretary shall enter into such arrange-
 17 ments, and shall prescribe such regulations, that the Sec-
 18 retary determines necessary to carry out this section.

19 “(g) FEDERAL STUDENT LOAN DEFINED.—In this
 20 section, the term ‘Federal student loan’ means any loan
 21 made, insured, or guaranteed under title IV of the Higher
 22 Education Act of 1965 (20 U.S.C. 1070 et seq.).”.

23 (b) CLERICAL AMENDMENT.—The table of sections
 24 at the beginning of such chapter is amended by inserting

1 after the item relating to section 3320 the following new
2 item:

“3320A. Use of educational assistance benefits for the repayment of Federal
student loans.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to educational assistance paid for
5 months beginning on or after the date of the enactment
6 of this Act.

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