

SDEBT

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is Executive Orders from the President of the United States issued between Issuance and <date> according to the Office of the Federal Register and bills that have become law between Issuance and <date> according to Congress.gov (even if the effective date of the Executive Order or bill is after <date>). Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Instructions: Executive Orders are available here: <https://www.federalregister.gov/presidential-documents/executive-orders/joe-biden/2021>. Congressional bills that have become law are available here: <https://www.congress.gov/search?q=%7B%22congress%22%3A%5B%22117%22%5D%2C%22source%22%3A%22all%22%2C%22bill-status%22%3A%22law%22%7D> . These instructions are provided for convenience only and may be modified at any time.

Source Agency: The Source Agencies are the Office of the Federal Register and the Library of Congress.

Type: The type of Contract is a Binary Contract.

Issuance: This contract is intended to be issued on a bi-annual basis.

<date>: <date> refers to a calendar date specified by Kalshi. Kalshi may list iterations of the Contract corresponding to different statistical periods of <date>.

<expo_date>: <expo_date> refers to a calendar date specified by Kalshi. Kalshi may list iterations of the Contract corresponding to different statistical periods of <expo_date>.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that include documentation that a bill has become law or an Executive Order has been enacted that implements broad-based federal student loan forgiveness or cancellation.

To qualify as “broad-based” federal student loan forgiveness or cancellation, a given bill that has become law or executive order that has been enacted must meet the following criterion: (a) The maximum benefit size must be at least \$5,000 (in total); (b) The bill or executive order will only be considered “broad-based” if it is available to all federal student loan borrowers without any restrictions on eligibility for forgiveness other than the restrictions listed in this subsection (a). A bill or executive order may still be considered “broad-based” even if it contains the following restrictions:

- Restricting eligibility to only forgive or cancel debt on federal student loans
- Restricting eligibility to those below a certain income threshold
- Restricting eligibility to those who filed a federal tax return within a given period
- Restricting eligibility to those who have been employed within a given period
- Restricting eligibility to those loans which are subsidized federal loans
- Restricting eligibility to those who are U.S. citizens
- Restricting eligibility to those who are undergraduate students
- Restricting eligibility to exclude PLUS loans for parents of students
- Restricting eligibility to those who enrolled in two-year institutions/community colleges
- Restricting eligibility to those who enrolled in four year-institutions
- Restricting eligibility to those who enrolled in a public university
- Restricting eligibility to exclude those enrolled in a for-profit college
- Any combination of the above restrictions

Any modification to the timeline of Income-Driven Repayment's forgiveness criterion is not sufficient to qualify as "broad-based".

Examples: The following examples illustrate the two requirements for a bill or executive order to be considered "broad-based".

The following is a non-exhaustive list of student loan forgiveness or cancellation-style actions that would be sufficient individually to resolve the contract as YES:

- Forgiveness or cancellation of all student loans held by the federal government
- Forgiveness or cancellation of all subsidized federal student loans
- Forgiveness or cancellation of all federal student loans held by U.S. citizens
- Forgiveness or cancellation of all federal student loans held by students, but not PLUS loans taken out by parents
- Forgiveness or cancellation of all federal student loans for students who have filed a federal tax return in the last three years and have been employed within the last three years
- Forgiveness or cancellation with a maximum benefit of at least \$5,000 on all federal student loans
- Forgiveness or cancellation with a maximum benefit at least \$5,000 on federal student loans for students who enrolled in public colleges and universities
- Targeted forgiveness or cancellation for all federal student loan borrowers earning less than \$70,000 with a maximum benefit of at least \$5,000
- Targeted federal student loan forgiveness or cancellation for those enrolled in a two-year associate degree or four-year bachelor degree program but not available to those in graduate schools
- Any combination of the above (e.g. a sliding scale of forgiveness that phases to zero at incomes above \$70,000 available only to those in a four-year undergraduate college where the max forgiveness value is above the threshold). As written at Issuance, the 117th Congress's [HR 2034](#), the 116th Congress's [S. 2235](#) and the 116th Congress's [HR 3887](#) are examples of such an eligible bill.

The following student loan forgiveness or cancellation-style actions are a non-exhaustive list of actions that are **NOT** sufficient (either individually or together) to resolve as YES

- Targeted forgiveness or cancellation available only for those entering a narrow set of careers (such as public service, teaching or Americorps) or related to military service [fails criteria (b) of "broad-based" because career restrictions are not an eligible restriction]. As written at Issuance, the 117th Congress's [HR 2418](#), [HR 4723](#), [HR 251](#), [HR 2968](#), [HR 4666](#) or [S. 2478](#) are examples of such ineligible bills.
- Targeted forgiveness or cancellation available only for those whose school has closed or whose school's accreditation has been withdrawn [fails criteria (b) of "broad-based" because accreditation restrictions are not an eligible restriction]
- Targeted forgiveness or cancellation available only for those enrolled in a for-profit college (or similar institutions) [explicitly excluded in criteria (b) of "broad-based"]
- Modifications to Income-Driven Repayment Plans that allow for accelerated timelines for forgiveness [explicitly excluded in Payout Criteria]. For example, the 116th Congress's [HR 3257](#) is a bill that is ineligible on these grounds.
- Extended forbearance [is not "forgiveness" or "cancellation"]
- Allowing expanded dischargeability of student loans in bankruptcy [is not "forgiveness" or "cancellation"]
- Targeted forgiveness or cancellation conditional on choice of major [fails criteria (b) of "broad-based" because major restrictions are not an eligible restrictions]
- Targeted forgiveness available only through smaller programs such as discharge due to

permanent disability, fraud, death or unfunded refund. [fails criteria (b) of "broad-based" because none of those are listed eligible restrictions]

Minimum Tick: The Minimum Tick size for the referred Contract shall be \$0.01.

Position Limit: The Position Limit for the \$1 referred Contract shall be \$25,000 per Member.

Last Trading Date: The Last Trading Date of the the Contract will be the sooner of the date of the first 10:00 AM following the occurrence of an event that is encompassed in the Payout Criterion (whereupon the Last Trading Time will be 10:00 AM) or <date> (whereupon the Last Trading Time will be 11:59 PM).

Settlement Date: The Settlement Date of the Contract shall be no later than the day after the Expiration Date, unless the Market Outcome is under review pursuant to Rule 7.1.

Expiration Date: The Expiration Date of the Contract shall be the sooner of the date of the first 10:00 AM following the occurrence of an event that is encompassed in the Payout Criterion, the date of the first 10:00 AM following both Source Agencies updating for <date>, and <expo_date>.

Expiration time: The Expiration time of the Contract shall be 10:00 AM ET.

Settlement Value: The Settlement Value for this Contract is \$1.00.

Expiration Value: The Expiration Value is the value of the Underlying as documented by the Source Agency on the Expiration Date at the Expiration time.

Contingencies: Before Settlement, Kalshi may, at its sole discretion, initiate the Market Outcome Review Process pursuant to Rule 6.3(c) of the Rulebook. Additionally, as outlined in Rule 7.2 of the Rulebook, if any event or any circumstance which may have a material impact on the reliability or transparency of a Contract's Source Agency or the Underlying related to the Contract arises, Kalshi retains the authority to designate a new Source Agency and Underlying for that Contract and to change any associated Contract specifications after the first day of trading.