

Republicans' "Big, Ugly Law" **Makes College Less Affordable** — **All to Pay for Tax Breaks for Billionaires and Corporations**

Republicans' "Big, Ugly Law" will make college less affordable for students, raise student loan payments for current borrowers, and expose students to predatory, for-profit institutions— all to pay for tax breaks for billionaires and corporations.

Republicans' "Big, Ugly Law" **raises costs for students** by:

- **Forcing student loan borrowers into unaffordable repayment plans.** For the more than 42 million Americans who hold federal student loan debt, this law replaces existing income-driven repayment plans with a single plan that would increase payments for most borrowers. It also removes existing safeguards that protect borrowers from carrying debt for more than 25 years. For the average borrower, the Republican proposal would **increase monthly student loan payments by almost \$200**. Effective for new loans July 1, 2026, and existing loans July 1, 2028.
- **Eliminating resources to help struggling borrowers.** This law eliminates economic hardship forbearances and limits the length of time loans can be in deferment, regardless of any administrative challenges borrowers may face with their loan servicer. This makes it harder for borrowers who may be struggling with life costs, such as child care, medical bills, or job loss, to meet their basic needs since they would be forced to continue loan payments they cannot afford. Effective July 1, 2027.
- **Pushes students into the predatory, private loan market by eliminating Graduate PLUS loans, capping Parent PLUS loans, and limiting Pell Grant access.** This law also prohibits students with full scholarships from receiving Pell Grants if their college believes, despite whether the student's cost of attendance changes, the student's basic needs are met. Additionally, it requires undergraduate students to exhaust their unsubsidized loans before parents can utilize Parent PLUS to cover the remaining cost of attendance and sets a limit for Parent PLUS loans of \$65,000 per child. With these student aid caps, students would be pushed to take out predatory, unregulated private loans to finance their degree – or walk away from their education. Effective July 1, 2026.

Republicans' "Big, Ugly Law" **exposes students to predatory, for-profit institutions** by stopping the implementation of:

- The **2023 Borrower Defense Regulation**, which provides student loan relief for millions of borrowers defrauded by their schools. Effective July 4, 2025.
- The **2023 Closed School Discharge Regulation**, which provides student loan relief for students whose institutions closed before they completed their programs. Effective July 4, 2025.

Republicans' "Big Ugly Law" **hurts rural and low-income communities** by:

- **Making it harder for institutions of higher education to enroll students in public service programs** such as medicine, dentistry, and social work. This law penalizes colleges if their students do not meet certain earnings requirements, which could make it harder for colleges to support students seeking low- and moderate-wage public service careers to serve their local communities. This, coupled with eliminating Grad PLUS loans, could be particularly devastating to rural and low-income communities, which face higher levels of healthcare shortages, and the veteran community which relies on graduates from these types of programs to support veterans' services. Effective July 1, 2026.

To learn more about how the Republicans' "Big, Ugly Law" will make college less affordable and expose students and taxpayers to risk, [click here](#). For stakeholder opposition letters, [click here](#).



FACT SHEET

House Committee on Education and Workforce
Ranking Member Robert C. "Bobby" Scott

The Republicans' 'Big Ugly, Law' Prioritizes Private Schools Over Public Education to Give Tax Breaks to the Rich

The Republicans' 'Big, Ugly Law' will create the first nationwide federal elementary and secondary school voucher program, force taxpayers to fund private schools including religious schools, and effectively divert funding and resources away from public schools that serve over 90 percent of students.

The Republicans' "Big, Ugly Law" creates an unprecedented tax cut for the rich by:

- Enabling donors to school voucher programs to receive a **100 percent tax credit** for contributions up to \$1700 per year in states that elect to participate. This would elevate donations to voucher programs above all other donations, including donations made to food pantries, hospitals, houses of worship, and every other kind of charity.
- Letting wealthy people—those earning up to and including 300 percent of the area median gross income—qualify for the vouchers to use for their own children for private schools, including religious schools.
- **Creating a permanent tax credit to fund school vouchers with zero accountability and forcing taxpayers to foot the bottomless cost.**

An [analysis](#) states that the private school voucher program could cost \$56 billion per year—more than all current federal K-12 spending combined.

The Republicans' "Big, Ugly Law" will harm students and families and trample on their civil rights by:

- **Allowing private schools, including religious schools, to discriminate against students and families.** For example, students attending private schools with these vouchers will not have protections under:
 - Title VI of the *Civil Rights Act of 1964* (42 USC § 2000d et seq.), which prohibits discrimination on the basis of race, color, and national origin in programs receiving federal funding;
 - Title IX of the *Education Amendments of 1972* (20 USC § 1681 et seq.), which prohibits discrimination on the basis of sex in programs receiving federal funding;
 - Section 504 of the *Rehabilitation Act of 1973* (29 USC § 794), which prohibits discrimination on the basis of disability in programs receiving federal funding;
 - *Individuals with Disabilities Education Act* (20 USC § 1400 et seq.), which provides that eligible children with disabilities are entitled to receive special education services and supports necessary to ensure that they can receive a free and appropriate public education; and
 - Only private secular schools must comply with Title III of the *Americans with Disabilities Act* (42 USC § 12131 et seq.), which protects qualified individuals with disabilities from discrimination on the basis of disability in services, programs, and activities provided by State and local government entities.
- Permitting private schools to hire unqualified people to teach children, teach students whatever they decide, and avoid responsibility for student outcomes.

To read letters of opposition, click [here](#).