

The House Reconciliation Bill Makes College Less Affordable — All to Pay for Tax Cuts for Billionaires and Corporations

The Republicans budget reconciliation bill 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 cuts for billionaires and corporations.

Republicans' proposal raises costs for students by:

- Cutting access to Pell Grants and other federal student aid.
This bill increases the number of credits per semester required for students to receive their full Pell Grant award from 12 to 15. This change would result in a \$1,479 cut to the maximum Pell Grant of \$7,395 for any student taking 12 credits, meanwhile approximately two-thirds of all Pell recipients could see even worse cuts to their award. The bill also fully eliminates Pell Grants for students who cannot take more than 15 credits per year. *Over 4 million students are estimated to have their Pell Grant reduced or eliminated if this bill is enacted.*
- Forcing student loan borrowers into unaffordable repayment plans.
For the more than 42 million Americans who hold federal student loan debt, this proposal would replace existing income-driven repayment plans with a single plan that would increase payments for most borrowers and remove existing safeguards that protect borrowers from carrying debt for more than 25 years. For the average borrower, the House Republican proposal would [increase monthly student loan payments by almost \\$200](#).
- Pushing students to the predatory private loan market by eliminating subsidized and Graduate PLUS loans, and capping Parent PLUS loans.
This bill eliminates new subsidized loans for all undergraduate students and new Grad PLUS loans. It also 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 \$50,000. With these caps, students would be pushed to take out predatory, unregulated private loans to finance their degree – or walk away from their education.

Republicans' proposal exposes students to predatory, for-profit institutions by eliminating:

- The bipartisan 90/10 Regulation, which prevents unscrupulous for-profit colleges from duping vulnerable students out of their college benefits, such as veterans' hard-fought GI bill benefits.
- The 2023 Borrower Defense Regulation, which provides student loan relief for millions of borrowers defrauded by their schools.
- The 2023 Closed School Discharge Regulation, which provides student loan relief for students whose institutions closed before they completed their programs.

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