

## 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](#).