



## The GOP War on Students: H.R. 4508 Increases Student Debt

To create a new “ONE Loan,” H.R. 4508 consolidates all currently available loan products into a more expensive federal student loan, while simultaneously weakening the student loan safety net for the lowest-income borrowers. The bill eliminates the undergraduate loan subsidy, caps parent and graduate loans, removes the benefits of Income Based Repayment (IBR) for low-income borrowers, and eliminates the Public Service Loan Forgiveness (PSLF) program.

### Comparing Current-Law Direct Loans with H.R. 4508

	Current Law	H.R. 4508
<b>Loan Types</b>	Subsidized Stafford - Undergraduates Unsubsidized Stafford - Undergraduates Unsubsidized Stafford - Graduates Graduate PLUS Parent PLUS	Undergraduate Graduate Parent
<b>Loan Limits for Dependent Undergraduates</b>	\$5,500 to \$7,500 Lifetime cap of \$31,000	\$7,500 to \$9,500 Lifetime cap of \$39,000
<b>Loan Limits for Independent Undergrads</b>	\$9,500 to \$12,500 Lifetime cap of \$57,500	\$11,500 to \$14,500 Lifetime cap of \$60,250
<b>Loan Limits for Graduate Students</b>	\$20,500 in Stafford with lifetime cap of \$138,500  Graduate PLUS capped at cost of attendance with no limit	\$28,500 with lifetime cap of \$150,000  Slightly higher limits for medical, dental, and similar students
<b>Loan Limits for Parents</b>	Graduate PLUS capped at cost of attendance with no limit	\$12,500 per student Lifetime cap of \$56,250

## Comparing Current-Law Repayment with H.R. 4508

	<b>Current Law</b>	<b>H.R. 4508</b>
<b>Repayment Options</b>	10-year Standard Extended Graduated Income-Driven (multiple types beneath)	10-year Standard Extended (if consolidated) Income-Driven
<b>Income-Driven Repayment</b>	10 to 15 percent of discretionary income  Forgiveness after 20 or 25 years depending on plan	15 percent of discretionary income  Borrowers repay until they pay an amount equal to what they would have paid on the 10-year standard plan
<b>Minimum IDR Payment</b>	\$0	\$25
<b>Public Service Loan Forgiveness</b>	After 10 years of qualifying payments for individuals in qualifying professions	Eliminated
<b>Deferments and Forbearances</b>	Pause payments entirely for going back to school, economic hardship, and other reasons	Pause payments for going back to school, can pay \$5 a month for up to three years if they cannot find work (with strict requirements) or high medical expenses.

Thanks to H.R. 4508's cuts to federal grant aid and changes to federal student loans, students would be forced to borrow more, pay more to borrow more, and pay more to repay their loans. Nearly 6 million borrowers would lose interest subsidies without any corresponding benefit in return.