



FEDERAL LEGISLATIVE & REGULATORY UPDATE

Friday, May 2, 2025

AGENDA



Dear Colleague Letter on Accreditation Federal Negotiated Rulemaking Public Hearings & House Education Committee Markup of Budget Reconciliation

- President Trump's Executive Orders
- Regulatory Update
- Legislative Update
- Q&A

**BREAKING
NEWS**



ACCREDITATION

FOR IMMEDIATE RELEASE

May 1, 2025

Contact: Press Office

press@ed.gov

U.S. Department of Education Expands Accreditation Options for Colleges and Universities

The Guidance Aligns with President Trump's Accreditation Executive Order

Today, the U.S. Department of Education announced initial actions to comply with President Trump's Executive Order, [Reforming Accreditation to Strengthen Higher Education](#), which instructed the Department to allow institutions to more freely change accreditors and begin reviewing new accreditors. In response, the Department published a Dear Colleague Letter (DCL) informing institutions of higher education that they will no longer have to undergo a lengthy process before changing an accreditor.

ACCREDITATION

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REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

May 1, 2025

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The Department also lifted the Biden Administration's moratorium on accepting and reviewing applications for initial recognition of potential new accreditors and notified one applicant that its petition is no longer paused and will be reviewed.

"We must foster a competitive marketplace both amongst accreditors and colleges and universities in order to lower college costs and refocus postsecondary education on improving academic and workforce outcomes for students and families," said U.S. Secretary of Education Linda McMahon. "President Trump's Executive Order and our actions today will ensure this Department no longer stands as a gatekeeper to block aspiring innovators from becoming new accreditors nor will this Department unnecessarily micromanage an institution's choice of accreditor."

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

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Background:

The Higher Education Act (HEA) and subsequent regulations require an institution to provide the Department with materials related to its prior accreditation and materials demonstrating reasonable cause for changing an accreditor. Implementing regulations list a series of adverse circumstances under which the Department may not approve an institution's request for a change in accreditor, but they do not otherwise state the Department should withhold approval.

In July and September 2022, the Biden-Harris Administration released two DCLs which created a pre-clearance process to scrutinize the decision of an institution to choose a new accreditor. These have been revoked.

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

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The new guidance recognizes that institutions may choose to change accreditors for a variety of reasons, including:

To find an accreditor who better aligns with a religious mission;

If there is a shift in the type of academic programs offered;

If state law requires a change in accreditor;

If the institution wants to leave an accreditor for the types of standards it is imposing on the institution, such as requiring the institution to adopt discriminatory Diversity, Equity, and Inclusion (DEI) practices and principles, among a variety of other reasons.

Today's DCL explains that: "the law and regulation describe the requirements regarding what constitutes reasonable cause for changing an accrediting agency. It is not the Department's prerogative to infer any other meanings from the basic requirements or contrive a multi-step investigation. This guidance re-establishes a simple process that will remove unnecessary requirements and barriers to institutional innovation."

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

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Lifting the Moratorium on New Accreditor Review:

On October 29, 2024, the Office of Postsecondary Education, placed a temporary pause on accepting and reviewing applications of potential new accreditors for initial recognition, citing a large volume of existing accrediting agencies currently under review for the upcoming year. One prospective new accreditor that had filed an application was notified that its application would be temporarily paused.

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(GEN-25-03) Changes to the Approval Process for Changing Accrediting Agencies

Print

PUBLICATION DATE: May 01, 2025

DCL ID: GEN-25-03

SUBJECT: Changes to the Approval Process for Changing Accrediting Agencies

SUMMARY: This document provides guidance on changing accrediting agencies and supersedes GEN-22-10 and GEN-22-11.

Dear Colleague:

Tags

[Dear Colleague Letters](#)

[All Title IV Federal Student Aid...](#)

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REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

May 1, 2025

Dear Colleague:

Currently, under section 496(h) of the Higher Education Act of 1965, as amended, (HEA) (20 U.S.C. 1099b(h)), an institution seeking to change its accrediting agency must submit all materials relating to the prior accreditation and materials demonstrating reasonable cause for changing the accrediting agency to the Secretary. The Department has implemented this statutory requirement via 34 CFR § 600.11, which requires an institution to provide all materials related to its prior accreditation or preaccreditation and materials demonstrating reasonable cause for changing its accrediting agency (or having multiple accrediting agencies), so that the Department can provide approval of the switching or adding of the accrediting agencies. The law and regulation do not dictate a robust or onerous process for receiving the Department's approval for a change in accrediting agencies or maintaining multiple accreditation. Therefore, consistent with statutory and regulatory obligations, the Department will conduct expeditious review of applications received except in rare cases where an institution lacks a reasonable cause for making a change.

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May 1, 2025

Additionally, neither the law nor the regulation disincentivizes or prohibits an institution from changing an accrediting agency or choosing to have multiple accrediting agencies. Department guidance should therefore allow institutions the freedom to develop unique partnerships with accrediting agencies. This includes any decision to change an accrediting agency because of an institution's religious mission, shift in academic program offerings, compliance with a state law, desire to set stronger academic standards, or any other justifiable desire of the institution. Institutions have discretion to choose an accrediting agency, and the agency has the sole discretion whether to grant accreditation. The Department's lone interest in this matter relates to ensuring the institution is not switching accrediting agencies as a means of avoiding adherence to the Department's laws and regulations.

Accordingly, this announcement restates the basic obligations under 34 CFR § 600.11 for an institution to receive approval and clarifies where the Department does not have the authority to withhold an approval. As such, this guidance supersedes earlier guidance provided on this subject in GEN-22-10 and GEN-22-11.

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As soon as possible when an institution begins the process of obtaining a new accrediting agency an institution should notify the Department in writing of its intent to change its primary accrediting agency or to add a new accrediting agency. Institutions should submit this Reasonable Cause Request Certification to the Department which will serve as documentation of its prior accreditation, and materials demonstrating reasonable cause for changing or adding an accrediting agency to comply with 34 CFR § 600.11(a) or (b). The Department will find the cause to be reasonable and approve a change in accrediting agency, or adding an accrediting agency, if an institution submits all materials related to its prior accreditation or preaccreditation, as required by 34 CFR § 600.11(a)(1) and 34 CFR § 600.11(b), and it does not fall under the prohibitions in 34 CFR § 600.11(a)(1)(ii) or 34 CFR § 600.11(b)(2)(i). Accordingly, the Department will determine an institution's cause not to be reasonable if the institution:

Has had its accreditation withdrawn, revoked, or otherwise terminated for cause during the preceding 24 months, unless such withdrawal, revocation, or termination has been rescinded by the same accrediting agency.

Has been subject to a probation or equivalent, show cause order, or suspension order during the preceding 24 months.

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Notwithstanding the foregoing, under 34 CFR § 600.11(a)(2), the Department may determine the institution's cause for changing its accrediting agency to be reasonable if the prior agency did not provide the institution its due process rights as defined in 34 CFR § 602.25, the agency applied its standards and criteria inconsistently, or if the adverse action, probation, show cause, or suspension order was the result of an agency's failure to respect an institution's stated mission, including its religious mission. In addition, under 34 C.F.R. § 600.11(b)(2)(ii), even if the institution is or has been subject to one of the negative actions described in (b)(2)(i), the Department may determine the institution's cause for seeking multiple accreditation or preaccreditation to be reasonable if the institution's primary interest in seeking multiple accreditation is based on that agency's geographic area, program-area focus, or mission.

Since the July 1, 2020, implementation of the Trump administration regulatory changes, which received consensus from negotiators, nationally recognized accrediting agencies can choose to conduct accrediting activities across the United States and institutions are free to select an agency whose geographic scope previously did not include the State in which the institution is located (see 34 CFR 602.11). State legislatures have taken action to ensure accrediting agencies do not place undue influence over institutions and that public institutions are free to seek a new accrediting agency (see recent changes to Florida law and North Carolina law).

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May 1, 2025

State legislatures and governors have legitimate authority to manage their public institutions and under the Department of Education Organization Act, the Department has no power to interfere with that authority reserved to the States under 34 CFR 602.11 (see 20 USC 3403(a)). Because of this, if the institution otherwise meets the requirements set out in law and regulation, in these cases the Department will determine that an institution has reasonable cause and therefore approve a change in accrediting agency for institutions that are required to do so based on State action. The HEA established the program integrity triad, balancing authority with regard to eligibility for Title IV funding across each member of the triad: States, accrediting agencies, and the Department. Congress has directed the Department to review and recognize accrediting agencies, but those agencies have the role of accrediting institutions and/or programs. The Department has no authority to substantively intervene in the decision of an institution or program to select a particular accrediting agency (or to intervene with a State to direct its public institutions to seek a new accrediting agency). The Department has the obligation to ensure accrediting agencies hold institutions accountable in accordance with the requirements of the HEA, but it may not invent new authorities for itself beyond this.

The Department also recognizes the significance of voluntary membership in accrediting agencies as required under 34 CFR § 602.14(a) but does not believe that an institution's change in accrediting agency due to State law compliance constitutes an involuntary membership. In fact, because accrediting agencies are no longer bound by regions in regulation, institutions have more options to choose from in seeking voluntary membership with accrediting agencies across the country.

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

May 1, 2025

In all cases, it is incumbent on the institution to provide accurate documentation and materials to demonstrate the reasonableness of the change or multiple accreditation. If the Department does not approve a change in accrediting agency within 30 days of the date of its receipt of a complete notice of this change and materials demonstrating reasonable cause, approval will be deemed to have been granted, unless the change or multiple accreditation is prohibited as described above.

Again, the law and regulation describe the requirements regarding what constitutes reasonable cause for changing an accrediting agency. It is not the Department's prerogative to infer any other meanings from the basic requirements or contrive a multi-step investigation. This guidance re-establishes a simple process that will remove unnecessary requirements and barriers to institutional innovation.

Other than existing statutory and regulatory requirements stated in the document, the contents of this guidance do not have the force and effect of law and are not meant to bind the public. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.



PRESIDENT DONALD J. TRUMP

The WHITE HOUSE





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EXECUTIVE ORDERS



EXECUTIVE ORDERS



REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

April 28, 2025

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered:

Section 1. Purpose.

A group of higher education accreditors are the gatekeepers that decide which colleges and universities American students can spend the more than \$100 billion in Federal student loans and Pell Grants dispersed each year. **The accreditors' job is to determine which institutions provide a quality education — and therefore merit accreditation.** Unfortunately, accreditors have not only failed in this responsibility to students, families, and American taxpayers, but they have also abused their enormous authority.

<https://www.whitehouse.gov/presidential-actions/2025/04/reforming-accreditation-to-strengthen-higher-education/>

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

April 28, 2025

Section 1. Purpose.

Accreditors routinely approve institutions that are low-quality by the most important measures. The national six-year undergraduate graduation rate was an alarming 64 percent in 2020. Further, many accredited institutions offer undergraduate and graduate programs with a negative return on investment — almost 25 percent of bachelor's degrees and more than 40 percent of master's degrees — which may leave students financially worse off and in enormous debt by charging them exorbitant sums for a degree with very modest earnings potential.

Notwithstanding this slide in graduation rates and graduates' performance in the labor market, the spike in debt obligations in relation to expected earnings, and repayment rates on student loans, **accreditors have remained improperly focused on compelling adoption of discriminatory ideology, rather than on student outcomes.** Some accreditors make the adoption of unlawfully discriminatory practices a formal standard of accreditation, and therefore a condition of accessing Federal aid, through “diversity, equity, and inclusion” or “DEI”-based standards of accreditation that require institutions to “share results on diversity, equity, and inclusion (DEI) in the context of their mission by considering . . . demographics . . . and resource allocation.” Accreditors have also abused their governance standards to intrude on State and local authority.

<https://www.whitehouse.gov/presidential-actions/2025/04/reforming-accreditation-to-strengthen-higher-education/>

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

April 28, 2025

Section 1. Purpose.

The American Bar Association's Council of the Section of Legal Education and Admissions to the Bar (Council), which is the sole federally recognized accreditor for Juris Doctor programs, has required law schools to "demonstrate by concrete action a commitment to diversity and inclusion" including by "commit[ting] to having a student body [and faculty] that is diverse with respect to gender, race, and ethnicity." As the Attorney General has concluded and informed the Council, the discriminatory requirement blatantly violates the Supreme Court's decision in *Students for Fair Admissions, Inc. v. President and Fellows of Harvard College*, 600 U.S. 181 (2023). Though the Council subsequently suspended its enforcement while it considers proposed revisions, this standard and similar unlawful mandates must be permanently eradicated.

<https://www.whitehouse.gov/presidential-actions/2025/04/reforming-accreditation-to-strengthen-higher-education/>

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

April 28, 2025

Section 1. Purpose.

The Liaison Committee on Medical Education, which is the only federally recognized body that accredits Doctor of Medicine degree programs, requires that an institution “engage[] in ongoing, systematic, and focused recruitment and retention activities, to achieve mission-appropriate diversity outcomes among its students.” The Accreditation Council for Graduate Medical Education, which is the sole accreditor for both allopathic and osteopathic medical residency and fellowship programs, similarly “expect[s]” institutions to focus on implementing “policies and procedures related to recruitment and retention of individuals underrepresented in medicine,” including “racial and ethnic minority individuals.” The standards for training tomorrow’s doctors should focus solely on providing the highest quality care, and certainly not on requiring unlawful discrimination.

American students and taxpayers deserve better, and my Administration will reform our dysfunctional accreditation system so that colleges and universities focus on delivering high-quality academic programs at a reasonable price. Federal recognition will not be provided to accreditors engaging in unlawful discrimination in violation of Federal law.

<https://www.whitehouse.gov/presidential-actions/2025/04/reforming-accreditation-to-strengthen-higher-education/>

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

April 28, 2025

Section 2. Holding Accreditors Accountable for Unlawful Actions.

(a) The Secretary of Education shall, as appropriate and consistent with applicable law, hold accountable, including through denial, monitoring, suspension, or termination of accreditation recognition, accreditors who fail to meet the applicable recognition criteria or otherwise violate Federal law, including by requiring institutions seeking accreditation to engage in unlawful discrimination in accreditation-related activity under the guise of “diversity, equity, and inclusion” initiatives.

(b) The Attorney General and the Secretary of Education shall, as appropriate and consistent with applicable law, investigate and take appropriate action to terminate unlawful discrimination by American law schools that is advanced by the Council, including unlawful “diversity, equity, and inclusion” requirements under the guise of accreditation standards. The Secretary of Education shall also assess whether to suspend or terminate the Council’s status as an accrediting agency under Federal law.

<https://www.whitehouse.gov/presidential-actions/2025/04/reforming-accreditation-to-strengthen-higher-education/>

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

April 28, 2025

Section 2. Holding Accreditors Accountable for Unlawful Actions.

(c) The Attorney General and the Secretary of Education, in consultation with the Secretary of Health and Human Services, shall investigate and take appropriate action to terminate unlawful discrimination by American medical schools or graduate medical education entities that is advanced by the Liaison Committee on Medical Education or the Accreditation Council for Graduate Medical Education or other accreditors of graduate medical education, including unlawful “diversity, equity, and inclusion” requirements under the guise of accreditation standards. The Secretary of Education shall also assess whether to suspend or terminate the Committee’s or the Accreditation Council’s status as an accrediting agency under Federal law or take other appropriate action to ensure lawful conduct by medical schools, graduate medical education programs, and other entities that receive Federal funding for medical education.

<https://www.whitehouse.gov/presidential-actions/2025/04/reforming-accreditation-to-strengthen-higher-education/>

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

April 28, 2025

Section 3. New Principles of Student-Oriented Accreditation.

(a) To realign accreditation with high-quality, valuable education for students, the Secretary of Education shall, consistent with applicable law, take appropriate steps to ensure that:

- i. accreditation requires higher education institutions to provide high-quality, high-value academic programs free from unlawful discrimination or other violations of Federal law;
- ii. barriers are reduced that limit institutions from adopting practices that advance credential and degree completion and spur new models of education;
- iii. accreditation requires that institutions support and appropriately prioritize intellectual diversity amongst faculty in order to advance academic freedom, intellectual inquiry, and student learning;
- iv. accreditors are not using their role under Federal law to encourage or force institution to violate State laws, unless such State laws violate the Constitution or Federal law; and
- v. accreditors are prohibited from engaging in practices that result in credential inflation that burdens students with additional unnecessary costs.

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

April 28, 2025

Section 3. New Principles of Student-Oriented Accreditation.

(b) To advance the policies and objectives in subsection (a) of this section, the Secretary of Education shall:

- i. resume recognizing new accreditors to increase competition and accountability in promoting high-quality, high-value academic programs focused on student outcomes;
- ii. mandate that accreditors require member institutions to use data on program-level student outcomes to improve such outcomes, without reference to race, ethnicity, or sex;
- iii. promptly provide to accreditors any noncompliance findings relating to member institutions issued after an investigation conducted by the Office of Civil Rights under Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or Title IX of the Education Amendments Act of 1972 (20 U.S.C. 1681 et seq.);

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

April 28, 2025

Section 3. New Principles of Student-Oriented Accreditation.

(b) To advance the policies and objectives in subsection (a) of this section, the Secretary of Education shall:

- iv. launch an experimental site, pursuant to section 487A(b) of the Higher Education Act of 1965 (20 U.S.C. 1094a(b)), to accelerate innovation and improve accountability by establishing new flexible and streamlined quality assurance pathways for higher education institutions that provide high-quality, high-value academic programs;
- v. increase the consistency, efficiency, and effectiveness of the accreditor recognition review process, including through the use of technology;
- vi. streamline the process for higher education institutions to change accreditors to ensure institutions are not forced to comply with standards that are antithetical to institutional values and mission; and
- vii. update the Accreditation Handbook to ensure that the accreditor recognition and reauthorization process is transparent, efficient, and not unduly burdensome.

<https://www.whitehouse.gov/presidential-actions/2025/04/reforming-accreditation-to-strengthen-higher-education/>

REFORMING ACCREDITATION TO STRENGTHEN HIGHER EDUCATION

April 28, 2025

Section 4. General Provisions.

(a) Nothing in this order shall be construed to impair or otherwise affect:

- i. the authority granted by law to an executive department or agency, or the head thereof; or
- ii. the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.


(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

EXECUTIVE ORDERS

PRESIDENT DONALD J. TRUMP

The WHITE HOUSE



 PRESIDENTIAL ACTIONS

PREPARING AMERICANS FOR HIGH-PAYING SKILLED TRADE JOBS OF THE FUTURE

Executive Orders | April 23, 2025

EXECUTIVE ORDERS



EXECUTIVE ORDERS

PRESIDENT DONALD J. TRUMP

The WHITE HOUSE



⌵ PRESIDENTIAL ACTIONS

WHITE HOUSE INITIATIVE TO PROMOTE EXCELLENCE AND INNOVATION AT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

Executive Orders | April 23, 2025

EXECUTIVE ORDERS



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Intent To Receive Public Feedback for the Development of Proposed Regulations and Establish Negotiated Rulemaking Committee

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Tags

Federal Registers

Laws and Regulations

PUBLICATION DATE: April 04, 2025

POSTED DATE: April 09, 2025

SUBJECT: Intent To Receive Public Feedback for the Development of Proposed Regulations and Establish Negotiated Rulemaking Committee

FR TYPE: Notice of Proposed Rulemaking (NPRM)

NPRM COMMENT DUE DATE: May 5, 2025



PR Proposed Rule

Intent To Receive Public Feedback for the Development of Proposed Regulations and Establish Negotiated Rulemaking Committee

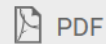
A Proposed Rule by the [Education Department](#) on 04/04/2025



Comments on this document are being accepted at [Regulations.gov](#).

SUBMIT A PUBLIC COMMENT

100 comments received. [View posted comments](#)



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Document
Details



Document

PUBLISHED DOCUMENT: 2025-05825 (90 FR 14741)

DOCUMENT HEADINGS

Department of Education
34 CFR Chapter VI
[Docket ID ED-2025-OPE-0016]



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Negotiated Rulemaking for Higher Education 2025-2026

This page provides information regarding the Department's negotiated rulemaking in 2025-2026 to make regulatory changes for the programs authorized by Title IV of the Higher Education Act of 1965, as amended.

View our [Frequently Asked Questions about Negotiated Rulemaking for Higher Education](#) for more information about negotiated rulemaking in general.

Federal Register Notices and Fact Sheets





Apr 29 - May 01 • Event has ended

2025-2026 Negotiated Rulemaking; Public Hearing

👤 Organized by U.S. Department of Education

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PUBLIC COMMENT & FEDERAL NEGOTIATED RULEMAKING

April 4, 2025

Regulatory Issues

We intend to convene one or more negotiated rulemaking committees to develop proposed regulations pertaining to title IV regulations that have impacted institutions, States, and other partners and if their implementation may be inhibiting innovation and contributing to rising college costs. Some proposed topics for negotiation would include:

1. Refining definitions of a qualifying employer for the purposes of determining eligibility for the Public Service Loan Forgiveness program.
2. Pay As You Earn (PAYE) and Income Contingent Repayment (ICR) repayment plans.
3. Potential topics that would streamline current federal student financial assistance program regulations while maintaining or improving program integrity and institutional quality.

PUBLIC COMMENT & FEDERAL NEGOTIATED RULEMAKING

April 4, 2025

Public Hearings

Registration is not required to observe the in-person public hearings; however, space may be limited. Registration is required to view the virtual public hearing. American Sign Language translation will be provided to all who attend the hearings, and closed captioning will be provided for the virtual public hearing. We will post links for attendees who wish to observe on our website at <https://www.ed.gov/laws-and-policy/higher-education-laws-and-policy/higher-education-policy/negotiated-rulemaking-for-higher-education-2025-2026>. The Department will also post transcripts of all hearings on that site.

The Department will accept written comments via the Federal eRulemaking portal through May 5, 2025.

NOTE: The Department announced that the deadline for submission of comments has been extended until May 8, 2025.

<https://www.federalregister.gov/documents/2025/04/04/2025-05825/intent-to-receive-public-feedback-for-the-development-of-proposed-regulations-and-establish>



**SAVE PLAN
& IDR PLANS
CANCELLED
BY COURTS?**

PUBLIC COMMENT SUMMARY

PUBLIC COMMENT SUMMARY

Tuesday, April 29th & Thursday, May 1st

Public Hearing Testimony Topics & CSPEN Topics

- Accreditation
- Administrative Capability & Financial Responsibility
- Borrowerr Defense to Repayment
- **Change in Fiscal Year End**
- Change of Ownership & Control
- Distance Education
- **EApp**
- Financial Value Transparency & Gainful Employment
- Return of Title IV Funds

**WHAT
COULD
BE
NEXT?**







LEGISLATIVE UPDATE

HOW DOES BUDGET RECONCILIATION WORK?



BUDGET RECONCILIATION



COMMITTEE SUMMARY

Providing for reconciliation pursuant to H.Con.Res. 14, the Concurrent Resolution on the
Budget for Fiscal Year 2025
Section by Section

Subtitle A – Student Eligibility

Sec. 30001 Eligibility

Student Eligibility. Streamlines the categories of non-citizens that would be eligible to receive a grant, loan, or work assistance under the Higher Education Act (HEA) to include lawful permanent residents (LPR), certain nationals of Cuba, certain nationals of Ukraine or Afghanistan, and individuals that are part of a Compact of Free Association.

Sec. 30002 Amount of Need; Cost of Attendance; Median Cost of College

Amount of Need; Cost of Attendance; Median Cost of College. Caps the total amount of federal student aid a student can receive annually at the “median cost of college,” defined as the median cost of attendance for students enrolled in the same program of study nationally and calculated by the Secretary using data from the previous award year.

Exemption of Certain Assets. Restores exemptions of certain assets under the Free Application for Federal Student Aid. Offered

COMMITTEE SUMMARY

Subtitle B – Loan Limits

Sec. 30011 Loan Limits

Termination of Authority to Make Certain Loans. Terminates authority to make Grad PLUS loans and subsidized loans for undergraduate students on or after July 1, 2026; includes a three-year exception for students who were enrolled in a program of study as of June 30, 2026, and had received such loans for such program.

Unsubsidized Loans: Amends the maximum annual loan limit for unsubsidized loans disbursed on or after July 1, 2026, to the median cost of students' program of study; amends aggregate limits for such loans disbursed to students for an undergraduate program (\$50,000), graduate program (\$100,000), and professional program (\$150,000).

Parent PLUS Loans: Requires undergraduate students to exhaust their unsubsidized loans before parents can utilize Parent PLUS to cover their remaining cost of attendance; establishes an aggregate limit for Parent PLUS loans of \$50,000 for parents on behalf of their dependent child; includes a three-year exception for students who were enrolled in a program of study as of June 30, 2026, and had received such loans for such program.

Additional Reforms. Allows financial aid administrators to reduce annual borrowing limits below the statutory maximum as long as such limits are applied equally to all students; requires federal student loans to be pro-rated for students who are enrolled less than full-time.

COMMITTEE SUMMARY

Subtitle C – Loan Limits

Sec. 30021 Loan Repayment

Income-Contingent Repayment; Transition Authority; Limitation of Regulatory Authority. Terminates all repayment plans authorized under income-contingent repayment (ICR); requires the Secretary to transfer borrowers enrolled in an ICR plan or an administrative forbearance associated with such plans into the statutorily authorized income-based repayment (IBR) plan; prohibits the Secretary from issuing or modifying regulations with respect to IBR and the Repayment Assistance Plan with the exception of interim final rules with respect to transitioning borrowers to IBR, modifying IBR terms consistent with the Amendments made under this section, and implementing the Repayment Assistance Plan established under this section; waives negotiated rulemaking with respect to transitioning borrowers to IBR and modifying the terms of such plan.

Repayment Plans for Loans Before July 1, 2026. Maintains all current repayment options for borrowers with existing loans disbursed prior to July 1, 2026, with the exception of ICR; amends the terms of IBR to require borrowers to pay 15 percent of discretionary income, eliminates the standard repayment cap and partial financial hardship requirement, and requires borrowers to pay a maximum of 240 or 300 qualifying payments for undergraduate and graduate borrowers, respectively; allows borrowers with excepted PLUS loans who were enrolled in ICR to access IBR.

COMMITTEE SUMMARY

Subtitle C – Loan Limits

Sec. 30021 Loan Repayment

Repayment Plans for Loans After July 1, 2026. Repeals all plans authorized under ICR for current and new borrowers. Terminates existing repayment plans for loans disbursed on or after July 1, 2026, and establishes the following new standard repayment plan and Repayment Assistance Plan for borrowers with such loans:

Standard Repayment Plan.

Establishes a standard repayment plan with fixed monthly payments and repayment terms that range from 10 to 25 years based on the amount borrowed.

Repayment Assistance Plan.

Establishes a new Repayment Assistance Plan with payments calculated based on borrowers' total adjusted gross income (AGI), ranging from 1 to 10 percent depending on a borrower's income; includes a minimum monthly payment of \$10; offers balance assistance to borrowers making their required on-time payments by waiving unpaid interest and providing a matching payment-to-principal of up to \$50; allows borrowers currently in repayment to enroll in such plan; includes a maximum repayment term equal to 360 qualifying payments, which may include previous payments made under ICR, IBR, and other qualifying existing plans.

COMMITTEE SUMMARY

Subtitle C – Loan Limits

Sec. 30022 Deferment; Forbearance

Economic Hardship and Unemployment Deferments. Terminates economic hardship and unemployment deferments for loans disbursed on or after July 1, 2025.

Discretionary Forbearances. Amends the terms of discretionary forbearances for loans disbursed on or after July 1, 2025, to prohibit use of such forbearances for more than nine months during a 24-month period.

Medical and Dental Residency Deferment. Amends the terms of medical and dental residency deferments for loans disbursed on or after July 1, 2025, to allow for zero interest accrual for up to four years.

Sec. 30023 Loan Rehabilitation

Loan Rehabilitation. Allows borrowers with existing and new defaulted loans to rehabilitate their loans twice instead of once allowing these borrowers a smoother transition out of default and into repayment; requires payments for rehabilitation to be no less than \$10 for loans disbursed on or after July 1, 2025.

COMMITTEE SUMMARY

Subtitle C – Loan Limits

Sec. 30024 Public Service Loan Forgiveness

Repayment Assistance Plan. Allows payments made under the Repayment Assistance Plan to count as a qualifying payment for purposes of Public Service Loan Forgiveness (PSLF).

Qualifying Jobs. Clarifies that payments made by new borrowers on or after July 1, 2025, who are serving in a medical or dental residency do not count as a qualifying payment for purposes of PSLF.

Sec. 30025 Student Loan Servicing

Additional Mandatory Funds. Provides \$500 million in each of the fiscal years 2025 and 2026 to the Secretary for costs associated with returning borrowers back into repayment on their loans and to help with the costs of building the new repayment plan.

COMMITTEE SUMMARY

Subtitle D – Pell Grants

Sec. 30031 Eligibility

Foreign Income. Requires foreign income exempt from taxation or foreign income for which an individual receives a foreign tax credit to be included in the AGI calculation for purposes of calculating Pell Grant eligibility.

Ineligibility Due to High Student Aid Index. Students with a student aid index that equals or exceeds twice the amount of the maximum Pell Grant amount are rendered ineligible for Pell, regardless of their AGI.

Definition of Full Time Enrollment. Defines full time for purposes of the Pell Grant as expected to complete at least 30 semester or trimester hours, or 45 quarter credit hours (or the clock hour equivalent) in each academic year.

Ineligibility for Less Than Half Time Enrollment. Requires students to be enrolled on at least a half-time basis (expected to complete at least 15 semester or trimester hours) in each academic year to be eligible to receive a Pell Grant.

COMMITTEE SUMMARY

Subtitle D – Pell Grants

Sec. 30032 Workforce Pell Grants

Workforce Pell Grant Program. Expands eligibility for Pell Grants on or after July 1, 2026, to students enrolled in short-term, high-quality, workforce aligned programs that meet the requirements of this section; includes guardrails for student outcomes including value-added earnings, completion rates, and job placement rates; allows students enrolled in programs operating outside of the accreditation system to be eligible for such grants.

Sec. 30033 Pell Shortfall

Additional Funds. Provides \$10.5 billion for fiscal years 2026, 2027, and 2028 to reduce the funding shortfall for the Pell Grant program.

COMMITTEE SUMMARY

Subtitle E – Accountability

Sec. 30041 Agreements with Institutions

Agreements with Institutions. Creates skin-in-the-game accountability for colleges and universities by amending the terms of the Direct Loan program participation agreement to require institutions to reimburse the Secretary for a percentage of the non-repayment balance associated with loans disbursed on or after July 1, 2027; calculates the reimbursement percentage based on the total price the institution charges students for a program of study and the value-added earnings of students after they graduate or, in the case of students who do not graduate, the completion rate of the institution or program.

Penalties for Late or Missed Payments: Establishes escalating penalties for late payments, starting with requiring institutions to pay interest on late payments and scaling up to loss of Title IV eligibility.

Relief for Voluntary Program Closure: Waives 50 percent of payments due for a given program if an IHE voluntarily agrees to cease disbursement of federal student loans for the program (or a substantially similar program) for 10 years.

Reservation of Funds. Requires the Secretary to reserve all reimbursements received by institutions for the purpose of awarding PROMISE Grants.

COMMITTEE SUMMARY

Subtitle E – Accountability

Sec. 30042 Campus-Based Aid Programs

PROMISE Grants. Establishes a “PROMISE” program to provide performance-based grants to institutions.

Funding Formula. Provides funds to institutions based on a formula that rewards colleges for strong earnings outcomes, low tuition, and enrolling and graduating low-income students; sets the maximum amount an institution can receive annually at \$5,000 per federal student aid recipient.

Use of Funds. Provides flexibility to use funds to meet the maximum price guarantee required under the program, as well as other initiatives to improve college affordability, college access, and student successes in ways that best suit the needs of the institution and its students; requires institutions to report and evaluate how funds are used and disseminate best practices based on those evaluations.

Maximum Price Guarantee. Requires that, as a condition of receiving PROMISE grants, institutions must provide prospective students a guaranteed maximum total price for a given program of study based on income and financial need categories established by the Secretary; requires such guarantee to be for a minimum period of enrollment (up to six years or the institution’s median time to completion, whichever is less

COMMITTEE SUMMARY

Subtitle G – Regulatory Relief

Sec. 30051 Regulatory Relief

90/10 Rule. Permanently repeals the 90/10 rule which targeted one sector of higher education in favor of creating a sector-neutral accountability plan.

Gainful Employment. Permanently repeals the Gainful Employment rule which unfairly targeted one sector of higher education.

Other Repeals. Repeals the Biden-Harris administration's regulations pertaining to borrower defense to repayment and closed school discharges.

COMMITTEE SUMMARY

Subtitle G – Limitation on Authority

Sec. 30061 Limitation on Authority of the Secretary

Limits on Authority. Requires the Secretary to confirm that any new regulations or executive actions issued related to the student loan program will not increase costs to the federal government. Prohibits any regulations from being issued that cannot meet that threshold.



DEMOCRATIC AMENDMENTS

Amendments Offered

Rep. Adams

Requires the Sec. of Education to ensure that the bill does not disproportionately harm HBCUs, before implementing.

Rep. Adams

Requires the Sec. of Education to certify that the bill will not increase out of pocket costs for low-income students, before implementing.

Rep. Adams

Strikes the provision that caps student aid at the median cost of attendance.

Rep. McBath

Preserves the closed school discharge rule.

Rep. McBath

Prevents the exemption of time worked at a dental or medical residency in rural communities from receiving public service loan forgiveness.

DEMOCRATIC AMENDMENTS

Amendments Offered

Rep. Hayes

Prevents any action that results in a reduction of SNAP participation or access to SNAP benefits for students.

Rep. Bonamici

Prevents the bill from taking benefits away from mothers and children through the WIC program.

Rep. Bonamici

Strikes subtitle g that limits the authority of the Secretary of Education.

Rep. Bonamici

Prohibits funding cuts from taking place until the Inspector General concludes that low-income borrowers won't see an increase in their monthly payments.

Rep. Courtney

Ensures that the Public Service Loan Forgiveness (PSLF) program considers physicians' residency service towards the time needed to qualify for forgiveness.

DEMOCRATIC AMENDMENTS

Amendments Offered

Rep. Mannion

Prohibits cuts to student aid until the Committee receives information on all Department of Education contracts that DOGE has eliminated.

Rep. Mannion

Protects services provided under the Medicaid Home and Community-Based Services program for students with disabilities at institutions of higher education.

Rep. Tankano

Strikes the proposed repeal of the 2023 borrower defense rule.

Rep. McBath

Ensures that nothing in the bill results in a decrease of the average Pell grant award.

Rep. Scott

Strikes section 30031 on Pell grant eligibility, which changes the definition of full-time student to require 30 credit hours a year.

DEMOCRATIC AMENDMENTS

Amendments Offered

Rep. Omar

Strikes the provision on the Pell eligibility of part time students.

Rep. Omar

Strikes the sunset on the economic hardship provision for student loan borrowers.

Rep. Omar

Prohibits any wage or social security garnishment practices due to one defaulting on loans.

Rep. Omar

Ensures that nothing in the bill undermines Medicaid coverage for students.

Rep. Omar

Replaces the entire bill with Rep. Omar's legislation, the Student Debt Cancellation Act.

DEMOCRATIC AMENDMENTS

Amendments Offered

Rep. DeSaulnier

Requires that the Sec. of Education certify that the Department is complying with all existing court orders and will commit to following all future court orders, before implementing the bill.

Rep. Scott

Strikes the bill's repayment plan and replaces it with the Saving A Valuable Education (SAVE) Plan developed by the Biden Admin.

Rep. Takano

Strikes repeal of the 90-10 Rule in order to protect servicemembers' education benefits from for-profit institutions.

Rep. Takano

Prohibits the bill from taking effect until the Dep. of Education certifies that its policies will not result in an increase in fraud or abuse of servicemembers.

DEMOCRATIC AMENDMENTS

Amendments Offered

Rep. Lee

Ensures that the bill does not reduce access to abortion services.

Rep. Lee

Ensures that the bill does not allow students' reproductive health information to be shared with any DOGE employees.

Rep. Lee

Removes all of the bill's loan limits.

Rep. Lee

Authorizes the Pell program to be entirely funded by mandatory spending.

Rep. Lee

Prohibits colleges and universities from considering legacy status in the admissions process.

DEMOCRATIC AMENDMENTS

Amendments Offered

Rep. Lee

Exempts colleges and universities from the bill's risk sharing provision if over 20% of its student body is Pell eligible.

Rep. Casar

Prevents DOGE employees from accessing sensitive higher education information.

Rep. Casar

Penalizes Elon Musk through the revoking of federal contracts if he fails to exit federal government service when his special government employee status concludes.

Rep. Scott

Prohibits any cuts to Medicare and SNAP that result in fewer families being eligible for free school lunch.

