



**FEDERAL
LEGISLATIVE
&
REGULATORY
UPDATE**

Thursday, May 7, 2026

AGENDA



Focus on Federal Student Loans & Impact of Pending Louisiana Senate Party Primary on Higher Education

- Federal Regulatory Update
- Federal Legislative Update
- Q&A



REGULATORY UPDATE

**BREAKING
NEWS**

The image features the words "BREAKING NEWS" in a large, bold, white, 3D sans-serif font. The letters are set against a vibrant red background. A series of white, curved lines radiate from the top right corner, creating a sense of motion and urgency. The text is positioned in the upper half of the frame, with "BREAKING" on the top line and "NEWS" on the bottom line. The lighting is dramatic, highlighting the edges of the 3D letters and casting soft shadows on the red surface below.



PRESS RELEASE

Fact Sheet: The Trump Administration is Making College More Affordable

MAY 6, 2026

Higher education has been one the [fastest-growing expenses](#) for American families over the past 40 years. A significant driver of skyrocketing prices has been uncapped access to federal student loans. For the last two decades, graduate students have been able to borrow up to the full cost of attendance, enabling colleges and universities to raise tuition and fees with few constraints while shifting the financial burden onto students.

ED and DOL Implement Workforce Development Partnership

Today, the U.S. Departments of Education (ED) and Labor (DOL) announced the implementation of a workforce development partnership to create an integrated federal education and workforce system.

JULY 15, 2025 | [ABOUT THE DEPARTMENT](#)

MAKING COLLEGE MORE AFFORDABLE

Higher education has been one the [fastest-growing expenses](#) for American families over the past 40 years. A significant driver of skyrocketing prices has been uncapped access to federal student loans. For the last two decades, graduate students have been able to borrow up to the full cost of attendance, enabling colleges and universities to raise tuition and fees with few constraints while shifting the financial burden onto students.

As a result, the cost of higher education has become increasingly unaffordable for American families and has contributed to a student loan portfolio that has tripled to nearly [\\$1.7 trillion](#), with nearly 25% of borrowers in default on their repayment obligations. At the same time, [too many programs](#) leave students and taxpayers with little or no return on their investment, even as institutions boast nearly [\\$950 billion](#) in endowment assets.

Thanks to President Trump's Working Families Tax Cuts Act (the Act), new loan limits taking effect this summer will curb excessive borrowing and force institutions to evaluate their costs. These reasonable caps will help prevent borrowers from taking on debt they may struggle to repay while putting downward pressure on institutions to lower costs, making higher education more affordable for America's students.

MAKING COLLEGE MORE AFFORDABLE

How does the Act impact federal student loans?

The Act affects both the Grad PLUS and the Parent PLUS loan programs and introduces reasonable loan caps on graduate-level federal student borrowing. Undergraduate student limits remain unchanged.

The Grad PLUS loan program, established in 2006, allows graduate students to borrow up to the full cost of attendance with no aggregate or lifetime limit. When introduced, it effectively removed federal borrowing caps for graduate students. Since then, both tuition and loan debt for graduate students has skyrocketed. Although graduate students make up a relatively small share of total borrowers, they account for a disproportionate share of the loan portfolio. For example, in 2024-25, graduate students represented 16.8% of borrowers but received 46.6% of total loan disbursements that year.

The Act eliminates the Grad PLUS program, and instead responsibly reinstates borrowing limits for graduate programs by introducing new annual and aggregate limits on federal student loans for graduate and professional students beginning on July 1, 2026. Sensible limits will help curb overborrowing and put pressure on institutions to reduce costs, including unnecessary administrative spending.

MAKING COLLEGE MORE AFFORDABLE

How does the Act impact federal student loans?

The Parent PLUS loan program, established in 1980, allows parents to borrow up to the full cost of attendance to support their dependent undergraduate children. Beginning on July 1, 2026, the Act will place reasonable limits on the Parent PLUS loan program, which has contributed to historically high levels of debt that many parent borrowers have struggled to repay, a concern that [researchers](#) have raised for years.

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MAKING COLLEGE MORE AFFORDABLE

What are the new borrowing limits for graduate students and parents of dependent students?

Under the Act, the new annual limits are as follows:

- For graduate students: \$20,500
- For professional students: \$50,000
- For parents with a qualifying dependent student: \$20,000 per dependent student of the parent

Under the Act, the new aggregate limits are as follows:

- For graduate students: \$100,000
- For professional students: \$200,000
- For parents with a qualifying dependent student: \$65,000 (per dependent student of the parent)
- All borrowers who receive a loan made on or after July 1, 2026, are subject to an aggregate lifetime loan limit of \$257,500. Two exceptions to this include:
 - Grad PLUS loans that a borrower has received will be included in this new aggregate lifetime limit, unless the borrower qualifies for the interim exception, in which case they will continue to be subject to the former (pre-Act) limits during the interim exception period; and
 - Parent PLUS loans made to a borrower for their dependent students are excluded from a borrower's lifetime limit.

MAKING COLLEGE MORE AFFORDABLE

What happens to a student enrolled in a graduate program prior to July 1, 2026?

For borrowers enrolled in a graduate program before July 1, 2026, and who have already received a loan for that program, an [interim exception](#) to the new loan caps will apply. These borrowers will continue to have access to loans on the same terms that they had when they entered the program until they graduate.

It is important to note that borrowers who cease enrollment or withdraw from the program will lose the interim exception and will be subject to the new annual and aggregate loan limits.

MAKING COLLEGE MORE AFFORDABLE

Why did the Act eliminate the Grad PLUS student loan program?

Virtually unlimited Grad PLUS borrowing has contributed to rising college costs. Economists [find](#) that unlimited federal student loans for graduate school raise tuition on a “dollar for dollar” basis, with institutions capturing much of the additional funding for themselves. Students bear the cost and often graduate with unaffordable debt.

More importantly, these loans have fallen short of their intended goal of expanding access to graduate education that delivers meaningful returns for students. Research shows that unlimited federal borrowing for graduate school has had little to no effect on access.

Simply put: Grad PLUS allows for high debt in graduate programs regardless of the actual cost of delivering the education or the outcomes of the program, such as earnings gains. The new loan limits will help prevent programs from leaving students with debt they may not be able to afford.

MAKING COLLEGE MORE AFFORDABLE

Why did the Act eliminate the Grad PLUS student loan program?

For example:

[Columbia University](#) offers a master's degree in theatre where students who take on federal loans leave with \$132,000 in debt on average but earn just \$58,000 four years after graduating.

[The University of Southern California](#) offers a master's degree in student counseling where students who take on federal loans leave with \$118,000 in debt on average but earn just \$77,000.

[Naropa University](#) offers a master's degree in psychology where students who take on federal loans leave with \$105,000 in debt on average but earn just \$45,000.

[New York University](#) offers a master's degree in film and video studies where students who take on federal loans leave with \$168,000 in debt on average but earn just \$47,000.

[The University of Denver](#) offers a master's degree in psychology where students who take on federal loans leave with \$126,000 in debt on average but earn just \$60,000.

[Creighton University](#) offers a graduate degree in physical therapy where students who take on federal loans leave with \$177,000 in debt on average but earn just \$79,000.

[The University of Bridgeport](#) offers a doctorate degree in alternative and complimentary medicine where students who take on federal loans leave with \$175,000 in debt on average but earn just \$39,000.

[Chapman University](#) offers a master's degree in drama and theatre arts where students who take on federal loans leave with \$139,000 in debt on average but earn just \$41,000.

MAKING COLLEGE MORE AFFORDABLE

How much does Grad PLUS cost American taxpayers?

According to government budget estimates, Grad PLUS loans enrolled in income-driven repayment plans cost taxpayers \$33 in loan discharges for every \$100 that students borrowed, averaging \$4.9 billion per year. More than half of the debt enrolled in income-driven repayment plans was for graduate school, and borrowers are expected to enroll 85 percent of Grad PLUS loans in income-driven repayment plans.

Capping graduate-level loans generates \$51.8 billion in taxpayer savings over 10 years by preventing borrowers from taking on excessive debts that would ultimately be paid by taxpayers under expensive forgiveness programs.

MAKING COLLEGE MORE AFFORDABLE

What are the interest rates for the Parent PLUS program and soon-to-be defunct Grad PLUS program?

Grad PLUS and Parent PLUS loans can be a bad deal for students and parents because they charge high interest rates, often higher than what the private market charges. PLUS loans currently have an annual 8.94% interest rate and a 4.228% origination fee, which is deducted from the amount disbursed to the borrower but still must be repaid.

How does the Act impact healthcare professionals and teachers?

The new loan limits will drive down tuition without restricting access to workforce pipelines in critical industries like nursing and education. The vast majority of students are unaffected by the new borrowing limits, including 95% of students in [nursing](#) and education programs.

To learn more about the Department's landmark rule to lower college costs and simplify student loan repayment, see [here](#).



FEDERAL REGISTER

The Daily Journal of the United States Government



Rule



You may be interested in this older document that published on 01/30/2026 with action 'Notice of proposed rulemaking.'

[View Document](#)

Reimagining and Improving Student Education-Federal Student Loan Program Final Regulations

A Rule by the Education Department on 05/01/2026

PUBLISHED DOCUMENT: 2026-08556 (91 FR 23768)



PDF



Document Details



Document Dates

DOCUMENT HEADINGS

Department of Education
34 CFR Parts 674, 682, and 685
[Docket ID ED-2025-OPE-0944]
RIN 1840-AD98



23768

Federal Register / Vol. 91, No. 84 / Friday, May 1, 2026 / Rules and Regulations

DEPARTMENT OF EDUCATION

34 CFR Parts 674, 682, and 685

[Docket ID ED-2025-OPE-0944]

RIN 1840-AD98

Reimagining and Improving Student Education—Federal Student Loan Program Final Regulations

AGENCY: Office of Postsecondary Education, Department of Education.
ACTION: Final rule.

SUMMARY: The Secretary amends the regulations for the Federal student loan programs authorized under title IV of the Higher Education Act (HEA) of 1965, as amended (the title IV, HEA programs) to implement the statutory changes to the title IV, HEA programs included in Public Law 119–21, the Working Families Tax Cuts Act signed into law by President Trump on July 4, 2025. The Department previously referred to the Working Families Tax Cuts Act as the “One Big Beautiful Bill Act.” including in the Notice of Proposed Rulemaking published on January 30, 2026. These changes include establishing new loan limits for graduate students, professional students, and parents, and phasing out the Graduate PLUS (Grad PLUS) Program. The Working Families Tax Cuts Act also simplifies the current broken and confusing myriad of Federal student loan repayment plans by phasing out the existing Income-Contingent Repayment (ICR) plans, creating a new Tiered Standard repayment plan option, and establishing

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I. Abbreviations

APA: Administrative Procedure Act
 CFR: Code of Federal Regulations
 CIP Code: Classification of Instructional Programs Code
 DL: Federal Direct Loans
 E.O.: Executive Order
 FFEL: Federal Family Education Loan Program
 FSA: Federal Student Aid
 Grad PLUS: Direct PLUS Loan made to graduate or professional students
 HEA: Higher Education Act of 1965, as amended
 IBR: Income-Based Repayment
 ICR Plan: Income-Contingent Repayment plan
 NPRM: Notice of Proposed Rulemaking
 OIRA: Office of Information and Regulatory Affairs

to the Federal student loan programs made by Public Law 119–21, the Working Families Tax Cuts Act, through these final regulations.

These regulations revise the Direct Loan Program under 34 CFR part 685 by amending the annual and aggregate loan limits for graduate, professional, and parent loan borrowers. The regulations also implement two new streamlined student loan repayment plans, the Repayment Assistance Plan and the Tiered Standard repayment plan. The regulations also make conforming amendments to current regulations on consolidation, deferment, forbearance, and Public Service Loan Forgiveness (PSLF). The regulations also provide borrowers in default a second opportunity to rehabilitate their loans and resume repayment, even if they previously rehabilitated a defaulted loan.

1. Summary of Major Provisions of This Regulatory Action

- These final regulations:
- Amend §§ 674.39, 682.215, and 682.405 to allow loan rehabilitation up to twice per each loan borrowed under the Federal Perkins Program, Federal Family Education Loan Program, and the Direct Loan Program, up from only one.
 - Amend § 685.102 to include new definitions for the following terms: expected time to credential, graduate student, professional student, and program length.
 - Amend § 685.200 to include Direct PLUS Loan eligibility for graduate and professional students.
 - Amend § 685.201 to establish the

HOT TOPICS

The image features the words "HOT TOPICS" in a bold, red, 3D sans-serif font. Each letter is topped with a realistic flame effect, with yellow and orange fire rising from the top edge. The text is set against a solid black background. Below the main text, a faint, semi-transparent reflection of the words is visible, creating a mirrored effect on a dark surface.



PRESS RELEASE

U.S. Department of Education and U.S. Department of the Treasury Announce Historic Federal Student Assistance Partnership

MARCH 19, 2026

The U.S. Department of Education (ED) and the U.S. Department of the Treasury (Treasury) today announced the Federal Student Assistance Partnership to enhance the administration of Federal student aid programs, mitigate the continuing fallout and cost to taxpayers from the Biden Administration's mismanagement of the Federal student loan portfolio, and facilitate the return of defaulted borrowers to repayment.

HISTORIC FEDERAL STUDENT ASSISTANCE PARTNERSHIP

Press Release

(3/19/26)

The U.S. Department of Education (ED) and the U.S. Department of the Treasury (Treasury) today announced the Federal Student Assistance Partnership to enhance the administration of Federal student aid programs, mitigate the continuing fallout and cost to taxpayers from the Biden Administration's mismanagement of the Federal student loan portfolio, and facilitate the return of defaulted borrowers to repayment.

Currently, ED's student loan portfolio stands at nearly \$1.7 trillion **with fewer than 40 percent of borrowers in repayment and almost 25 percent of borrowers in default**. Student loan debt is roughly twice the size of [all American university endowments combined](#) and is larger than either our nation's [cumulative credit card debt](#) or cumulative auto debt. ED was never intended to operate what would be the [fifth-largest commercial bank in the United States](#), distributing over \$100 billion each year in Federal student loans and grants.

"The Federal Student Assistance Partnership marks an intentional and historic step toward breaking up the Federal education bureaucracy and dramatically improving the administration of Federal student aid programs that millions of American students, families, and borrowers rely on to access higher education," **said U.S. Secretary of Education Linda McMahon**. "As the Federal student aid portfolio soars to nearly \$1.7 trillion and with nearly a quarter of student loan borrowers in default, Americans know that the Department of Education has failed to effectively manage and deliver these critical programs. By leveraging Treasury's world-renowned expertise in finance and economic policy, we are confident that American students, borrowers, and taxpayers will finally have functioning programs after decades of mismanagement."

<https://www.ed.gov/about/news/press-release/us-department-of-education-and-us-department-of-treasury-announce-historic-federal-student-assistance-partnership>

HISTORIC FEDERAL STUDENT ASSISTANCE PARTNERSHIP

Press Release

Under the new interagency agreement, Treasury will assume operational responsibility for collecting on defaulted Federal student loan debt and provide operational support to ED's efforts to return borrowers to repayment. In subsequent phases, Treasury will work to provide operational support over non-defaulted Federal student loan debt, to the extent practicable and permitted by law, while also seeking opportunities to provide operational support to FSA's other functions.

“Under President Trump’s leadership we are undertaking the first serious effort to clean up a \$1.7 trillion portfolio that has been badly mismanaged for years. Treasury has the unique experience, the operational capability, and the financial expertise to bring long overdue financial discipline to the program and be better stewards of taxpayer dollars,” **said U.S. Secretary of the Treasury Scott Bessent.**

Throughout each phase of the partnership, ED, in conjunction with Treasury, will communicate directly with stakeholders, including students, parents, borrowers, institutions, and vendors, to outline anticipated plans and timelines and address any questions. Building on the Trump Administration’s successful efforts to fix the Free Application for Federal Student Aid form, the agencies will ensure that the partnership is implemented effectively and enhances the delivery of Federal financial aid for students and families.

This agreement follows nine agency [partnerships](#) signed over the past year, including the [workforce development partnership](#) with the U.S. Department of Labor, which has created an integrated Federal education and workforce system and reduced the need for States to consult multiple agencies to effectively manage their programs.



NEWS

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PRESS RELEASES

U.S. Department of the Treasury and U.S. Department of Education Announce Historic Federal Student Assistance Partnership

March 19, 2026

Marks major step to return education to the States and break up the Federal education bureaucracy

The U.S. Department of the Treasury (Treasury) and the U.S. Department of Education (ED) today announced the Federal Student Assistance Partnership to enhance the administration of Federal student

LATEST NEWS

May 7, 2026

[Economic Fury Targets Iraqi Oil Official, Iran-Backed Terrorist Militias in Iraq](#)

May 6, 2026

[Quarterly Refunding Statement of Deputy Assistant Secretary for Federal Finance Brian Smith](#)

[Minutes of the Meeting of the Treasury Borrowing Advisory Committee May 5, 2026](#)

[Report to the Secretary of the Treasury from the Treasury Borrowing Advisory Committee](#)

May 4, 2026



**Fact Sheet: Department of Education and Department of the Treasury
Federal Student Assistance Partnership**

HISTORIC FEDERAL STUDENT ASSISTANCE PARTNERSHIP

What is the purpose of the partnership?

The U.S. Department of Education (ED) and the U.S. Department of the Treasury (Treasury) have entered into an Interagency Agreement (IAA) to enhance the administration of federal student assistance programs, mitigate the continuing fallout and cost to taxpayers from the Biden Administration's mismanagement of the federal student loan portfolio, and facilitate the return of defaulted borrowers to repayment.

This partnership will support ED's implementation of major upcoming changes to federal student assistance made by the Working Families Tax Cuts Act. These changes – including the new Repayment Assistance Plan (RAP) and a second rehabilitation opportunity for defaulted borrowers – present a unique and promising opportunity to return borrowers to repayment. The partnership will draw on Treasury's expertise in managing highly complex financial and information technology systems and in collecting delinquent and defaulted debt for federal agencies.

HISTORIC FEDERAL STUDENT ASSISTANCE PARTNERSHIP

Why is ED entering into this partnership?

ED's student loan portfolio stands at nearly \$1.7 trillion, with fewer than half of borrowers in current repayment and almost a quarter of borrowers in default. For decades, ED has demonstrated it is ill-equipped to manage a portfolio of this size or complexity. The federal student loan portfolio is now roughly twice the size of all university endowments combined and more than either all cumulative credit card debt or auto debt in our country.

This long history of mismanagement, particularly during the Biden Administration, left the federal student loan portfolio in disarray. Rather than providing borrowers with the tools to manage and repay their student loans, ED focused on implementing unlawful repayment and forgiveness schemes that shifted debt to taxpayers, creating ongoing confusion for borrowers, families, financial aid administrators, and college access professionals. Notably, the Biden Administration terminated all private collections contracts in 2021, leaving ED with little vendor infrastructure to handle inbound calls or conduct outbound calls to assist the more than 9 million borrowers in default who could enroll in a repayment plan or rehabilitation agreement and move their loans back into good standing. As a result, many defaulted borrowers have languished in default for more than six years, damaging their credit scores and the ability to pursue the American dream. The ED-Treasury Federal Student Assistance Partnership will improve the administration of federal student aid programs for students, institutions, taxpayers, and other stakeholders.

HISTORIC FEDERAL STUDENT ASSISTANCE PARTNERSHIP

Why did ED select Treasury for this partnership?

As ED returns education to the states and breaks up the federal education bureaucracy, Treasury is well positioned to provide operational support to ED's ongoing work to enhance the management of the federal student assistance programs. ED and Treasury have a long history and strong partnership in managing the federal student assistance programs:

- Treasury disburses funds for federal student loans.
- ED leverages Treasury's federal tax information data systems for income verification for the Free Application for Federal Student Aid (FAFSA) and income-driven repayment plans.
- ED uses the Treasury Offset Program (TOP) for involuntary debt collections.
- Treasury and ED have contracted with an overlapping set of private collection agencies that have experience with the intricacies of collecting on federal student loans.
- The Financial Literacy and Education Commission (FLEC), which is chaired by Treasury, is used by ED and institutions of higher education to educate borrowers on student loan debt.
- ED has worked with Treasury on employment data for its forthcoming accountability framework.

The IAA is an extension of these existing workstreams. Treasury is already a key partner in administering federal student assistance programs, and expanding its role is a logical next step in the evolution of the agencies' longstanding partnership.

HISTORIC FEDERAL STUDENT ASSISTANCE PARTNERSHIP

How will the partnership work?

Under the agreement, Treasury will assume operational responsibility for collecting on defaulted federal student loan debt, leveraging private default resolution agencies to help defaulted borrowers enroll in rehabilitation or otherwise return to good standing. Treasury will also operational responsibilities for FSA's Default Resolution Group, which provides direct support for those borrowers who have defaulted on their student loans and operates the Default Management and Collections System (DMCS). In subsequent phases, Treasury will work to provide operational support over non-defaulted federal student loan debt, to the extent practicable and permitted by law, while also seeking opportunities to provide operational support to FSA's other functions, including the administration of the FAFSA form and more. ED, through both the Office of Postsecondary Education and FSA, will maintain all statutory responsibilities including policy development.

Throughout each phase of the partnership, ED, in conjunction with Treasury, will communicate directly with stakeholders, including students, parents, borrowers, institutions, and vendors, to outline anticipated plans and timelines and address any questions. Building on the Trump Administration's successful efforts to fix the FAFSA form, ED will ensure that the partnership is implemented effectively and enhances the delivery of federal financial aid for students and families.

HISTORIC FEDERAL STUDENT ASSISTANCE PARTNERSHIP

Under what statutory authorities will Treasury and ED perform their activities under the partnership?

The partnership will be implemented under a commonly utilized interagency agreement framework authorized by the Economy Act, 31 U.S.C. § 1535. Treasury also has broad authority to collect delinquent and defaulted federal debts under the Debt Collection Improvement Act, 31 U.S.C. §§ 3701-3720E.

How does this partnership align with the purpose of FSA's Performance-Based Organization (PBO)?

The ED-Treasury Federal Student Assistance Partnership is aligned with the purpose of the PBO legislation, which requires FSA to provide high-quality customer service to students and other participants in the federal student financial assistance programs and increase accountability. The PBO legislation also provides FSA greater flexibilities in the management and administration of its programs, including establishing partnerships with other agencies in order to increase efficiencies and improve program integrity.

HISTORIC FEDERAL STUDENT ASSISTANCE PARTNERSHIP

What impact will this agreement have on institutions of higher education?

All existing federal student aid systems such as the FAFSA, Common Origination and Disbursement (COD) System, and the National Student Loan Data System (NSLDS) will remain in place and will continue to be administered in accordance with applicable statutory requirements. FSA, in conjunction with Treasury, will continue to communicate with colleges and universities through the existing FSA Knowledge Center.

Institutions of higher education that have pending matters with FSA should continue to reach out using caseteams@ed.gov.

HISTORIC FEDERAL STUDENT ASSISTANCE PARTNERSHIP

What impact will this agreement have on students, families, and borrowers?

Students and families will continue to receive the high-quality service they have come to expect under the Trump Administration, and borrowers will not have to take any additional actions. Borrowers must continue to repay their student loans and work with their assigned loan servicer for any questions or assistance. Borrowers with defaulted loans should continue to visit myeddebt.ed.gov for help getting out of default and for updates as Treasury assumes responsibility for collecting on defaulted loans.

HISTORIC FEDERAL STUDENT ASSISTANCE PARTNERSHIP

Is there precedent for such partnerships?

IAAs are a tool commonly used by government agencies to share services, collaborate, and ensure efficient service delivery. Agencies frequently rely upon these agreements, so much so that the government has standardized forms to facilitate agencies' use of them. IAAs have been used by both large and small agencies in Democrat and Republican administrations alike. IAAs serve many purposes, and they are often used for administering grant programs.

For example, in 2022, the Biden Administration's Department of Justice, Federal Bureau of Prisons signed an IAA designating the U.S. Department of Labor (DOL) to administer grants under the First Step Act. More recently, ED and DOL successfully implemented an IAA to streamline the adult education and family literacy programs funded under Title II of the Workforce Innovation and Opportunity Act (WIOA) and career and technical education (CTE) programs funded by Perkins V. The U.S. Department of Agriculture and U.S. Department of War recently announced a partnership to implement the National Farm Security Action Plan. In summary, ED has entered into IAAs with other federal agencies for many years when doing so has been in the best interest of the U.S. government such as when such agreements are cost-effective or provide enhanced or more efficient program support.

Likewise, the Economy Act has been used by federal agencies in the past to enter into contracts with other agencies to perform services. These contracts are commonly used to implement IAAs through a contract for services. ED will continue to perform all statutorily required duties and responsibilities.

Treasury's first bite of a \$1.7T student loan headache

The agency is great at collecting on debts, but its tactics may lack the softer touch often used with student loan borrowers.



APRIL 02, 2026

Warren, Sanders, Wyden, Murray, Baldwin Blast New Trump Admin Attempt to Dismantle Education Department, Call for Immediate End to Illegal Transfer of Student Loans to Treasury

Committee Ranking Members argue that the scheme “will set the stage for more dysfunction in a federal student aid system that the Trump Administration has already made more expensive and confusing to navigate”

[Text of Letter \(PDF\)](#)

Washington, D.C. — U.S. Senators Elizabeth Warren (D-Mass.), Bernie Sanders (I-Vt.), Ron Wyden (D-Ore.), Patty Murray (D-Wash.), and Tammy Baldwin (D-Wis.) pressed Secretary of Education Linda McMahon and Secretary of the Treasury Scott Bessent to rescind their plans to move the administration of federal student loans to the Treasury Department (Treasury), the latest move in the Trump administration’s attempts to dismantle the Department of Education (ED).

The lawmakers are the Ranking Members of the Senate Banking, Housing, and Urban Affairs Committee; Senate Health, Education, Labor, and Pensions Committee; Senate Finance Committee; Senate Appropriations Committee; and Senate Appropriations Subcommittee on

MAY 04, 2026

New Responses from Education, Treasury Departments Reveal Trump Admin Cannot Justify Attempts to Dismantle Education Department

[Response from ED \(PDF\)](#) | [Response from Treasury \(PDF\)](#)

Washington, D.C. — U.S. Senator Elizabeth Warren (D-Mass.), Ranking Member of the Senate Banking Committee, released new responses from the Department of Education (ED) and the Treasury Department (Treasury) demonstrating that the agencies cannot articulate a clear purpose or plan for implementing their illegal interagency agreement (IAA) transferring the administration of federal student loans to Treasury.

The responses were in reply to Senator Warren's [April 2nd letter](#) with Senators Bernie Sanders (I-Vt.), Ron Wyden (D-Ore.), Patty Murray (D-Wash.), and Tammy Baldwin (D-Wis.), pressing Secretary of Education Linda McMahon and Secretary of the Treasury Scott Bessent to rescind the IAA.

In new responses to the senators, the agencies failed to provide basic details about the implementation of the agreement, including timing,

SENATOR WARREN'S PERSPECTIVE

U.S. Senator Elizabeth Warren (D-Mass.), Ranking Member of the Senate Banking Committee, released new responses from the Department of Education (ED) and the Treasury Department (Treasury) demonstrating that the agencies cannot articulate a clear purpose or plan for implementing their illegal interagency agreement (IAA) transferring the administration of federal student loans to Treasury.

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In new responses to the senators, the agencies failed to provide basic details about the implementation of the agreement, including timing, cost, and Treasury's plans for forced collections, or concretely explain how the agreement will help borrowers and families.

SENATOR WARREN'S PERSPECTIVE

Treasury also confirmed that while ED is transferring staff to Treasury to execute the IAA, Treasury is also transferring staff to ED, raising further concerns that the arrangement is wasting staff and resources.

Previous IAAs have cost ED over \$1 million in extra program costs and resulted in weeks-long delays in grant disbursements that students and schools rely upon.

While ED and Treasury again insisted in the new responses that their IAA is legal, Secretary McMahon admitted to Senator Warren last year that she understands she has no authority to move the statutory responsibilities of the Department of Education to other agencies without Congress passing legislation first.

"The Trump administration has no explanation for how this latest attempt to dismantle the Education Department is helping anyone — because it isn't," said Senator Warren. "The truth is that Trump is jacking up costs for borrowers and wasting resources. This illegal agreement is bad for students and families, and I'll do everything I can to fight back."

SENATOR WARREN'S PERSPECTIVE

Senator Warren has led the fight to make our higher education system more affordable, cancel student loan debt, and hold student loan servicers accountable for incompetence and malfeasance. She launched the [Save Our Schools](#) campaign in a coordinated effort to fight back against President Trump's attempts to abolish the Department of Education.





FEDERAL REGISTER

The Daily Journal of the United States Government



PR Proposed Rule

Accountability in Higher Education and Access Through Demand-Driven Workforce Pell: Student Tuition and Transparency System (STATS) and Earnings Accountability

A Proposed Rule by the Education Department on 04/20/2026



This document has a comment period that ends in 27 days. (05/20/2026)

SUBMIT A PUBLIC COMMENT

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



PUBLISHED DOCUMENT: 2026-07666 (91 FR 21088)

PDF

Document Details

DOCUMENT HEADINGS

Department of Education
34 CFR Parts 600, 668, and 685





COMING
ATTRactions



Robbing from the Poor to Give to the Rich: The Flawed Logic and Failed Methodology Behind the *Do No Harm* Earnings Test

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April 2026

Abstract

This report critically examines the Do No Harm (DNH) earnings test, a highly flawed and scientifically unsound higher education accountability metric enacted by Congress as part of the One Big Beautiful Bill Act. Although Congress requires this metric to be applied to undergraduate degree programs, graduate degree programs and graduate certificate programs, the Department of Education (the Department) has proposed to use its regulatory authority to expand the test to include undergraduate certificate programs. The Department's desire to hold all schools and programs to the same standards is commendable; however, the metric imposed upon them by Congress lacks validity and merit, rendering it an arbitrary and capricious regulatory test.

This report evaluates the DNH metric against accepted standards of experimental design, including those established by the Department¹ as the minimum required to demonstrate suitability for policy-making decisions, and finds that it fails in numerous and significant ways. The report demonstrates that the metric's design systematically disadvantages low-income students and the institutions that serve them and in particular, has disparate impact at the certificate level on non-traditionally-aged females and students of color. Importantly, the DNH metric ignores well understood employment trends, including that earnings grow significantly during the first 10 years of one's career, that individuals from low-income families tend to take

THE FLAWED LOGIC AND FAILED METHODOLOGY BEHIND THE DO NO HARM EARNINGS TEST

Policy Recommendations

1. A Better Approach for Certificate Programs
2. Methodological Corrections Needed to Improve the Scientific Integrity of the DNH Metric
 - Tip Income Adjustment
 - Risk Adjustment
 - Occupations Unavailable to High School Graduates
 - Public Assistance Reform
 - Public Assistance Reform

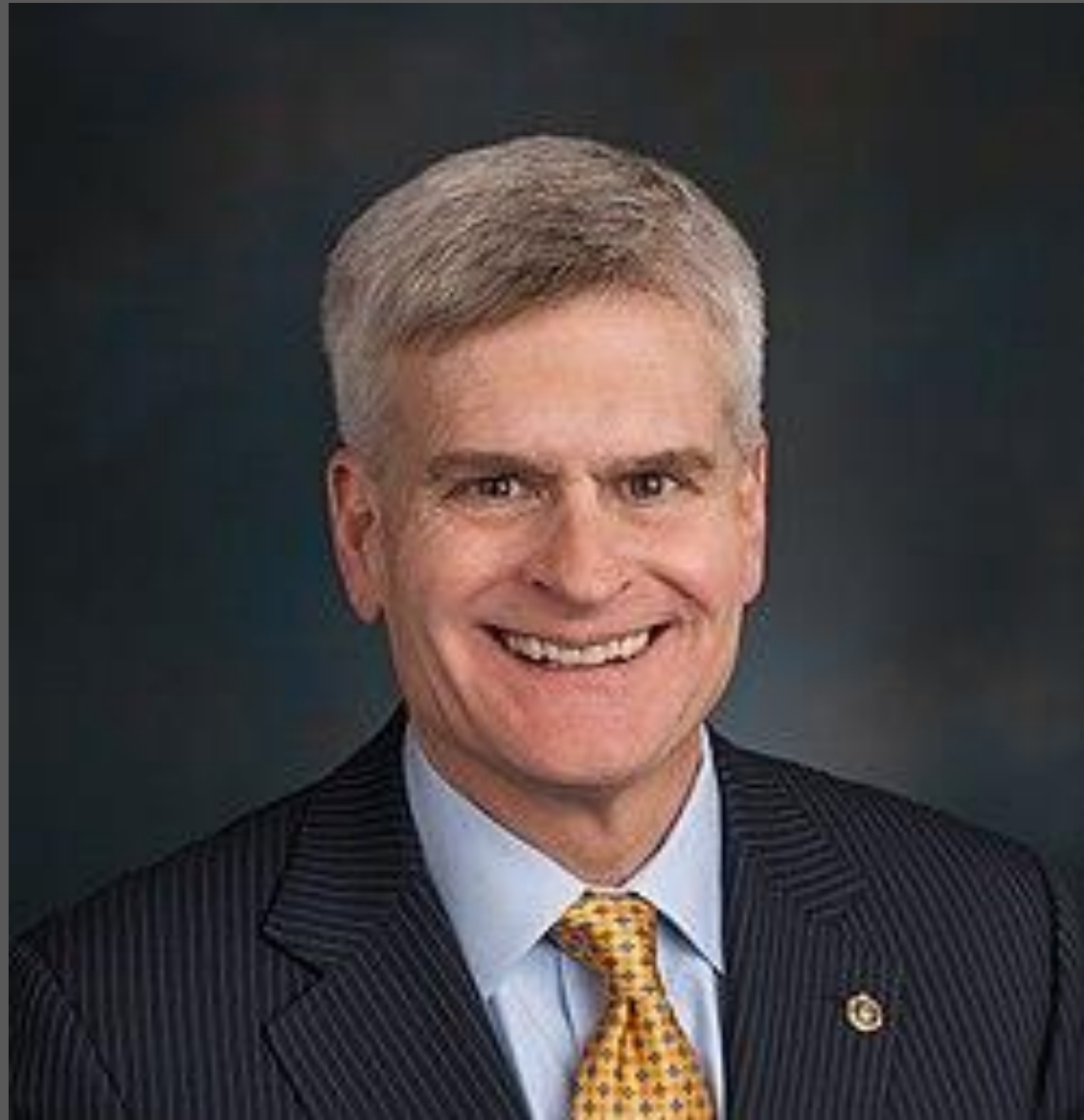


LEGISLATIVE UPDATE

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U.S. SENATE COMMITTEE ON

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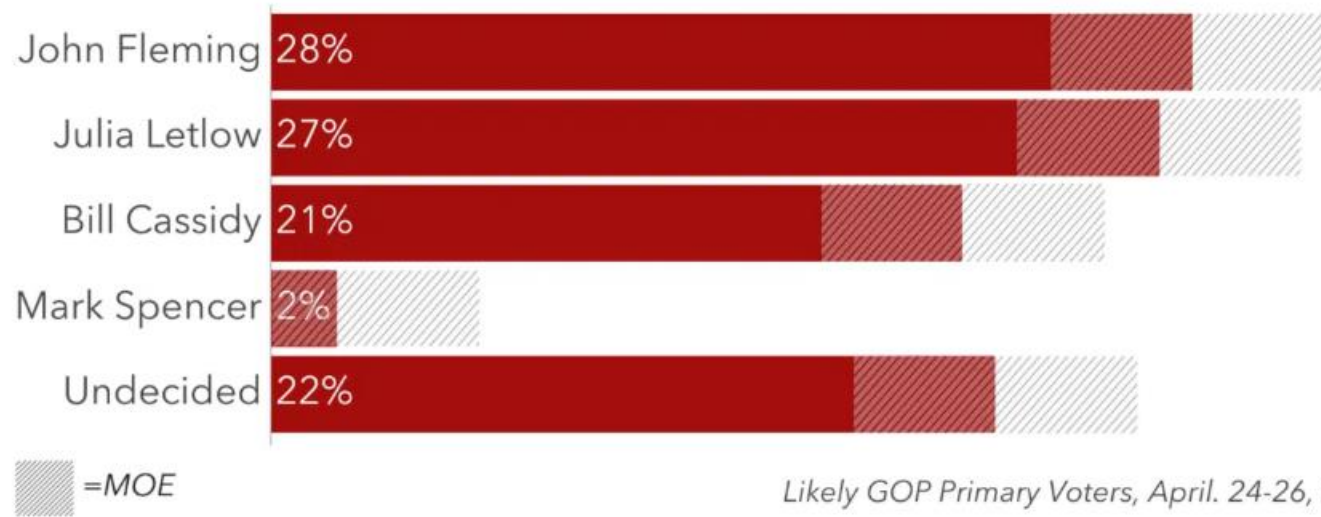


Louisiana 2026 Poll: Fleming, Letlow, Cassidy in Close Three-Way Race for Senate

April 30th, 2026

LOUISIANA 2026 POLL

Republican Primary for U.S. Senate



Likely GOP Primary Voters, April. 24-26, 2026, n=500, +/- 4.3%

"If the Republican Primary for Senate were held tomorrow, the poll indicates the race would move to a June runoff, as no candidate appears to meet the 50% threshold," Spencer Kimball, executive director of Emerson College Polling, said. "Fleming's strength is among male voters, who support him over Letlow 36% to 27%; 20% of men support Cassidy. Women are more split: 27% support Letlow, 23% Cassidy, and 21% Fleming."

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College Students' Salary Expectations: 2026 Data



By [Jaime Dunaway-Seale](#)
Updated April 27, 2026

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CLEVER RESEARCH

By [Jaime Dunaway-Seale](#) | April 27, 2026

Expected Salary: ~~\$80,000~~
Actual Salary: \$56,153.

Close enough?

Undergrads told us what they expect to earn after graduation. They're off by nearly \$25,000.



TRADE SCHOOL VS. COLLEGE GRAD SALARIES

Trade Workers College Majors



Source: Clever Real Estate survey of 769 undergraduates, Feb–Mar 2026. Trade salaries from the Bureau of Labor Statistics.

The appeal of alternate career paths is becoming increasingly hard to ignore. More than half of students (56%) think college degrees are less valuable than they used to be because so many people have them, and more than 1 in 4 undergraduates (29%) regret attending college altogether.

<https://listwithclever.com/research/average-starting-salary-out-of-college/>

Despite paying an exorbitant amount of money to develop their professional skills, more than 1 in 4 undergrads (28%) say college hasn't even prepared them to enter the workforce.

HOW DID COLLEGE FAIL TO PREPARE YOU FOR THE WORKFORCE?



Source: Clever Real Estate survey of 213 undergraduates who do not feel prepared to enter the workforce, Feb-Mar 2026

It's clear somewhere between orientation and graduation, students realized the return on investment didn't add up.

College may not be the best path to a high-paying job for every student, but 68% say they felt obligated to attend. What's more, the vast majority of undergraduates (75%) believe high schools push too many students toward college without educating them on alternative career paths.

<https://listwithclever.com/research/average-starting-salary-out-of-college/>

Degrees of Debt

For many undergraduates, the push for higher salaries isn't just about achieving a certain lifestyle, it's driven by the need to repay significant student loan debt.

About 79% of students pursuing a bachelor's degree expect to graduate with some form of student loan debt, with the average borrower owing \$25,670.

Financial experts and the U.S. Department of Education recommend students pay off their loans in **10 years**, but that may be a lofty goal if salaries are lower than expected. In fact, 40% of undergrads think it will take 10 years or *more* to repay their student loans.

As that heavy debt burden follows recent graduates into adulthood, many question the value of their investment.

Nearly half of students (46%) say a college education is not worth going into debt.

If they could do it again, one-fourth (25%) would go to a more affordable college and nearly one-fifth (18%) would take out fewer student loans. About 1 in 8 (13%) wouldn't go to college at all.

With many recent graduates facing crippling debt, they increasingly view loan forgiveness as a justified response to the broken promise that college would deliver financial stability. Students are widely supportive of these relief measures, with more than 3 in 4 undergrads (76%) saying student loans should be forgiven.



I.O.U.

\$25,670

To: *University of Anywhere*

From: *79% of students pursuing a bachelor's degree*

For: *A degree 46% say wasn't worth the debt*

Due: *10+ years for 40% of undergrads*

Signed, Undergraduate Students

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COULD
BE
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- **Proposal deadline is May 8, 2026**
- **Selections and notifications will be completed by June 12, 2026**
- Sessions will last approximately one hour
- Special consideration is given to presentations that include representatives from an .edu, .org and/or .gov
- Presenters are not paid, but school personnel presenting will receive a 50% discount on registration for the conference
- **Sessions may not be sales pitches.** Presenters may provide a brief company overview in their introduction only. This should be limited to 5 minutes or less with an invitation to visit your booth for additional information.
- *****Vendors will need to co-present with a school or employer*****
- **Vendors, if chosen, are expected to have a booth in the exhibition hall at the standard vendor rate or register as a non-exhibiting vendor**

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