

Graduate Lending

Grad PLUS: Eliminates the Grad PLUS Loan Program.

Annual Cap: Limits the amount of federal student aid a student can receive annually:

- Graduate student – \$20,500
- Professional student – \$50,000

Aggregate Cap: Limits the amount of federal student aid a student can receive in the aggregate:

- Graduate student – \$100,000
- Professional student – \$200,000

Lifetime Cap: Caps the lifetime amount students can borrow at \$257,500 (\$200,000 combined for graduate/professional education, plus \$57,500 for undergraduate education).

Changes the **Standard Repayment** timeline:

- 10 years for debt amounts less than \$25,000
- 15 years for \$25,000–\$49,999
- 20 years for \$50,000–\$99,999
- 25 years for \$100,000 or more

Eliminates all repayment plans authorized under Income-Contingent Repayment (ICR) regulations, as well as extended and graduated plans for **new loans disbursed on or after July 1, 2026.**

For borrowers with existing loans disbursed **prior to enactment of the bill**, transitions those who are in an ICR Plan or an administrative forbearance to an existing Income-Based Repayment Plan (IBR) or the new **Repayment Assistance Plan**. The transition will take place no later than July 1, 2028.

Creates new **Repayment Assistance Plan** for loans disbursed **on or after July 1, 2026**, which bases monthly payments on Adjusted Gross Income (AGI):

Income	Monthly Payment	Income	Monthly Payment
\$10,000 or less	\$10	Between \$60,001 – \$70,000	6% of AGI
Between \$10,001 – \$20,000	1% of AGI	Between \$70,001 – \$80,000	7% of AGI
Between \$20,001 – \$30,000	2% of AGI	Between \$80,001 – \$90,000	8% of AGI
Between \$30,001 – \$40,000	3% of AGI	Between \$90,001 – \$100,000	9% of AGI
Between \$40,001 – \$50,000	4% of AGI	Over \$100,000	10% of AGI
Between \$50,001 – \$60,000	5% of AGI		

- Provides student loan forgiveness after 360 qualifying monthly payments (30 years).
- Waives any unpaid monthly interest.

Loan Repayment

Accountability

Establishes “do no harm” standard: Eliminates federal loan eligibility for programs that leave students worse off than if they had never enrolled:

- Prohibits new federal student loans from paying for **undergraduate programs** where the majority of former students *earn less than the median high school graduate in the same state.*
- Prohibits new federal student loans from paying for **graduate programs** where the majority of former students *earn less than the median bachelor’s degree recipient in the same field in the same state.*

Programs lose Title IV eligibility if they fail to meet the standard for two years in a three-year period, with the option to reapply after two years.

Endowment Tax

Applicable institutions will be charged a tax equal to:

- **1.4%** for institutions with endowment assets between \$500,000 and \$750,000 per student.
- **4%** for institutions with endowments valued from \$750,000 to \$1.9 million per student.
- **8%** for institutions with endowments worth \$2 million or more per student.

Institutions that serve less than 3,000 students are exempt from the endowment tax.