



February 28, 2025

The Honorable Tim Walberg  
Chairman  
House Education and Workforce Committee  
2176 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Robert Scott  
Ranking Member  
House Education and Workforce Committee  
2328 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Walberg and Ranking Member Scott:

As the House drafts its budget reconciliation bill, AccessLex Institute® is writing to express its strong opposition to any proposals that would eliminate or cap the Grad PLUS Loan Program or the Public Service Loan Forgiveness (PSLF) Program. We are also opposed to any measure that would make income-driven repayment (IDR) plans less affordable for student loan borrowers. These programs have been a lifeline for struggling borrowers, public servants, and students looking to pursue higher education and should be preserved and unaltered.

AccessLex Institute, in partnership with its nearly 200 nonprofit and state-affiliated ABA-approved member law schools, has been committed to improving access to legal education and to maximizing the affordability and value of a law degree since 1983. The AccessLex Center for Legal Education Excellence® advocates for policies that make legal education work better for students and society alike and conducts research on the most critical issues facing legal education today.

### **Graduate Borrowing**

We are deeply concerned with discussions that seek to alter graduate borrowing by (1.) eliminating the Grad PLUS Loan Program; (2.) limiting the amount of federal student aid a student can receive annually at a level equal to the median cost of college; and (3.) capping aggregate student loan borrowing at \$150,000 for professional students. These changes would significantly and negatively impact low-income graduate and professional students, making it difficult for many to afford their education.

It has always been our position that eliminating the Grad PLUS Loan Program is bad policy. Federal graduate lending provides a critical financing option for students who are interested in obtaining an advanced degree, which many professions require, regardless of background or station. Eliminating

Grad PLUS Loans and restricting graduate borrowing for all would force students to seek supplemental financing from private sector lenders to pay for their degree. Relying on private lenders, which have differing incentives, underwriting limitations, and profit goals than the federal government, would mean returning to an environment where many low- and middle-income students will be unable to obtain a student loan under reasonable terms, or even obtain a loan at all.

Next, capping the annual amount of federal loans a student can receive at the median cost of attendance for students enrolled in similar degree programs nationally seems like sound policy on its face, but it would result in cutting off access to traditionally underrepresented students who would be unable to obtain private financing for their degree. First, this policy change assumes a level of homogeneity exists between programs that does not exist. While a few higher-resourced schools may be positioned to fulfill the unmet need of their students, most are not able to do so. This proposal also does not appear to take into consideration basic factors that impact cost such as geographic location, different cost of living metrics, and whether an institution is private or publicly supported. Second, using the median cost as the measure for the amount of federal loans available would necessarily result in half of all programs falling above the median. This would then require students in these programs to take out private loans, which as discussed above is simply not possible for many low- and middle-income students.

Finally, while a loan limit of \$150,000 for professional students is larger than we've seen in previous proposals to alter graduate borrowing, there are a number of professional degree programs that cost more than \$150,000 in total. This means that students in these programs would eventually have to take out private loans to finance a portion of their education, even if the annual cost of their program is below the median cost of attendance for students enrolled in similar degree programs nationally. The aggregate loan limits also fail to consider issues like inflation and the rising cost of college. Rather than a static figure, we continue to advocate that any loan limits should be indexed in some way to reflect increases in tuition, cost of living, and inflation.

## **Public Service**

The PSLF Program, enacted with bipartisan support in 2007, was established to provide a financial incentive for borrowers who dedicate at least 10 years of their careers to public service while making consistent student loan payments. The program has been a lifeline and a profoundly valuable use of taxpayer dollars especially for high-need and rural communities that struggle to fill roles in critical fields such as teaching, legal services, and nursing. However, rather than providing borrowers with full student loan relief after working in these roles as originally promised, negotiations are reportedly taking place that would set caps on the amount of loan forgiveness PSLF would provide while also failing to protect those who have already begun working towards PSLF.

Setting caps on the PSLF Program would worsen existing gaps in access to vital public services and the quality of delivery of such services. For example, the Department of Defense noted in a 2018 memo opposing a bill aimed at altering PSLF, that the "PSLF program has been an important

recruitment and retention tool for the military to compete with [the] civilian sector, predominantly in specialty fields, such as the Judge Advocates General Corps, for whom graduate degrees are required.” Further, a [survey](#) conducted by the American Bar Association on the impact of student debt on young lawyers found that 80% of those pursuing PSLF were in public service careers because of the forgiveness program. The survey also found that the program’s long-term impact was just as significant, with 73% intending to persist in the public service space after obtaining forgiveness.

Capping the relief granted under this program would be harmful to public servants and the communities they serve, and failing to provide a safeguard for those who have already begun working their way towards PSLF would be unconscionable.

## **Repayment**

Regarding the potential changes to IDR plans currently being negotiated, we are concerned with the creation of any repayment plan that does not provide for time-based forgiveness or offer a solution to deal with the crippling debt caused by interest capitalization. Without time-based forgiveness, many struggling, and even insolvent borrowers, could be taking on a literal lifetime of debt depending on their income levels and given the effective nondischargability of student loans in bankruptcy. Additionally, failing to address the issue of interest capitalization, where unpaid interest is added to the principal balance leading to an ever-increasing debt burden, would leave many borrowers with more debt than they began with, despite years of consistent payments.

Any repayment plan created during budget reconciliation should offer time-based forgiveness and not leave borrowers with more debt than when they entered repayment. IDR should be viewed as a government program that invests in human capital, rather than an endeavor seeking to make a profit from struggling borrowers to pay for tax cuts.

Preserving the Grad PLUS Loan Program, protecting PSLF, and ensuring that borrowers have access to an affordable IDR plan will help ensure that higher education remains a viable option for all students. AccessLex Institute urges you to protect these programs so that students can access higher education, fill much needed jobs, and repay their debts.

Thank you for your time and attention to this matter. If you have any questions, please do not hesitate to contact me at [cchapman@accesslex.org](mailto:cchapman@accesslex.org) or Nancy Conneely, Managing Director of Policy, at [nconneely@accesslex.org](mailto:nconneely@accesslex.org).

Sincerely,



Christopher P. Chapman  
President and Chief Executive Officer