

HELP Committee Provisions of the Senate's One Big Beautiful Bill Act

After the House of Representatives passed the One Big Beautiful Bill Act to advance President Trump's priorities through the budget reconciliation process, the Senate took up the legislation and sought to modify it in order to both conform to Senate rules that govern the budget reconciliation process in their chamber (Byrd rule) and address priorities from senators and concerns regarding certain provisions of the House proposal.

On June 10, 2025, the Senate Health, Education, Labor, and Pensions (HELP) Committee unveiled their version of the proposal, which will be put together with other committees' proposals to craft the Senate's One Big Beautiful Bill Act. After all the individual committee proposals are bundled, Senators will have to vote on the whole reconciliation text and either conference their proposal with the House or, amend the House version with the Senate version and send it back to the House for a final approval.

ACCT is happy to share that the Senate version rejects some of the most harmful provisions that were included in the House bill – including the provision that would have reduced or eliminated access to Pell grants for many community college students and the concept of risk sharing which would have left institutions on the hook for loans that student borrowers do not pay back or which are forgiven.

Below you will find a summary of the higher education provisions that are included in the Senate HELP proposal.

Subtitle A – Student Eligibility

Sec. 80001. Student Eligibility

- Extends financial aid eligibility to certain Cuban immigrants in addition to U.S. citizens, nationals, and immigrants admitted for legal permanent residence

Sec. 80002. Exemption of Certain Assets

- For the purposes of calculating financial aid need and student aid index, excludes the value of a family farm on which the family resides and small businesses with no more than 100 full-time or full-time equivalent employees (or any part of such business).
- Changes will take effect on July 1, 2026, and apply to the 2026-2027 award year and subsequent years.

Subtitle B – Loan Limits

Sec. 81001. Establishment of Loan Limits for Graduate and Professional Students and Parent Borrowers; Termination of Graduate and Professional Plus Loans.

- Parent Borrowers of Federal Direct Plus Loans
 - For each dependent, parents may borrow a maximum of \$20,000 annually.
 - The maximum aggregate amount a parent may borrow for each dependent student is \$65,000, regardless of amounts repaid, forgiven, canceled, or discharged.
- Lifetime Maximum Aggregate Amount for all Students
 - Students can borrow up to \$257,500 regardless of amounts repaid, forgiven, canceled, or discharged.
 - Federal Direct PLUS loans, such as Parent PLUS loans are excluded from this provision
- Additional Rules:
 - The borrowing capacity for students enrolled less than full-time is proportionate to the amount of being enrolled on a full-time basis.
 - The schedule of reductions is published by the Secretary of Education.
 - Institutions of higher education at their discretion can limit the amount of loans made for undergraduate borrowers and parents borrowing on behalf of dependents for a program of study as long as the limit is consistent across all students enrolled in program.

Subtitle C – Loan Repayment

Sec. 82001. Loan Repayment

- Eliminate income contingent repayment plan for an income-based repayment plan titled the *Repayment Assistance Plan*.
- The Secretary of Education is to transition borrowers who are in or in forbearance for an income contingent repayment plan to the *Repayment Assistance Plan*.
- Students would be automatically enrolled in the Standard repayment plan if they do not select a plan. These borrowers can transition into the Repayment Assistance plan.
- The Standard Repayment Plan features:
 - A fixed monthly repayment amount over one of the following fixed repayment periods:

Outstanding Principal Amount	Fixed Repayment Period
Less than \$25,000	10 years
\$25,000 to \$50,000	15 years
\$50,000 to \$100,000	20 years

More than \$100,000	25 years
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- Borrowers who select the Repayment Assistance plan are allowed to transition into a Standard repayment plan at any time.
- Under the Repayment Assistance Plan:
 - Minimum monthly payment plan of \$10
 - Monthly payment will have \$50 subtracted for each dependent child of the borrower
 - Base payment calculation:

Adjusted Gross Income	Repayment Assistance Calculation	Monthly Payment Range
Less than \$10,000	\$120	\$10
More than \$10,000 to \$20,000	1 percent of AGI	\$10 to \$16.67
More than \$20,000 to \$30,000	2 percent of AGI	\$33.33 to \$50
More than \$30,000 to \$40,000	3 percent of AGI	\$75 to \$100
More than \$40,000 to \$50,000	4 percent of AGI	\$133.33 to \$166.67
More than \$50,000 to \$60,000	5 percent of AGI	\$208.33 to \$250
More than \$60,000 to \$70,000	6 percent of AGI	\$300 to \$350
More than \$70,000 to \$80,000	7 percent of AGI	\$408.33 to \$466.67
More than \$80,000 to \$90,000	8 percent of AGI	\$533.33 to \$600
More than \$90,000 to \$100,000	9 percent of AGI	\$675 to \$750
More than \$100,000	10 percent of AGI	\$833.33 or more

*Subtract \$50 per month per dependent child of the borrower, with the minimum monthly payment of \$10.

- Borrowers not in deferment or forbearance are to submit monthly payments until:
 - § The balance of interest and principal of the loan equal \$0.
 - § After 360 qualifying monthly payments, which amount to 30 years of payments.
- Borrowers who make the minimum payment required of them under this plan, in the situation where that payment does not cover the total interest accrued in that month, will not have the interest added to their loan.

- Borrowers with excepted loans are to pay the principal and interest under the Standard Plan.
 - § Excepted loans are Direct PLUS Loans made on behalf of a dependent student or Direct Consolidation Loans if the payments were used to pay for a PLUS loan or an excepted consolidation loan.
- The Secretary may require borrowers in default to repay loans under an income-based repayment plan (*Repayment Assistance Plan*)

Sec. 82002. Deferment; Forbearance

- Student loan deferment for loans made on or after July 1, 2026 can no longer be made under unemployment and economic hardship.
- Forbearance is not to exceed 9 months during any 24-month period for loans made on or after July 1, 2026

Sec. 82003. Loan Rehabilitation

- Defaulted loans can be rehabilitated **twice** per loan.
- While in rehabilitation, the minimum monthly payment for Federal Family Education loans, Direct loans, and Perkins loans cannot be less than \$10 for loans made on or after July 1, 2026.

Sec. 82004. Public Service Loan Forgiveness

- Borrowers making payments on the Repayment Assistance Plan qualify for Public Service Loan Forgiveness

Sec. 82005. Student Loan Servicing

- Provides an additional \$1 billion in mandatory funding for the Secretary to administer programs outlined in subtitles B and C until funds are expended.

Subtitle D – Pell Grants

Sec. 83001- Eligibility

- Redefines adjusted gross income within financial aid calculations to include foreign income.
- Eliminates from Pell eligibility any student whose Student Aid Index is twice the maximum Pell Grant or more, even if their family size and adjusted gross income would qualify
 - For example, if a student had a Student Aid Index of \$16,500, likely because of significant family assets, but qualified for a Pell Grant due to their lower adjusted gross income compared to their family size, their high SAI would prevent them from receiving a Pell Grant because their \$16,500 SAI is greater than the maximum Pell Grant of \$7395.

Sec. 83002 – Workforce Pell

- Creates the Workforce Pell Grant for students enrolled in eligible workforce programs
- Students may not receive both types of Pell Grants concurrently and Workforce Pell Grants will contribute to a student's total lifetime eligibility limit of Pell dollars.
- Program eligibility requirements include:
 - Provides instruction time of at least 150 clock hours but no more than 599 hours
 - Meets for calendar time of no less than 8 weeks but no more than 15 weeks
 - Is not to be offered as a correspondence course
 - Determined to be by Governor of a state, in consultation with state board, aligned with requirements to be high-skill, high wage or in an in-demand sector or occupation
 - Meets hiring requirements of potential employers such as leading to a recognized credential that is portable and stackable
 - Prepares students to pursue 1 or more certificate or degree programs
 - Offered for at least 1 year
 - Has a verified completion rate of at least 70% within 150% of normal time
 - Has a verified job placement rate of at least 70%, measured 180 days after completion
 - For each award year, the total amount of published tuitions and fees does not exceed the value-added earnings for students who received Federal financial aid under this program and completed the program 3 years prior
 - Is offered by an institution of higher education or any other entity that has entered into a program participation agreement with the U.S. Secretary of Education, even if the entity is not accredited.

Sec. 83003 – Pell Shortfall

- Adds one lump of additional funds into the Pell Grant program toward offsetting the predicted shortfall.

Sec. 83004 – Pell Grant Exclusion as Related to Other Aid

- Revokes Pell eligibility for students who are receiving “full cost of attendance” scholarships from other sources

Subtitle E – Accountability

Sec. 84001. Ineligibility Based on Low Earning Outcomes.

- Prohibits institutions from offering funds from the federal direct loan program to students who are enrolled in certain programs described as “low-earning outcome undergraduate programs”

- Low-earning outcome undergraduate programs are described as
 - Those that award a bachelor's or lesser degree
 - For which in 2 of the past 3 years after exiting the program, the median earnings of a cohort of students are less than the median earnings of a working adult ages 25 – 34 who only has a high school diploma or its equivalent and is not enrolled in higher education
 - The student cohorts will be composed of students who borrowed federal loans to participate in the program, exited the program four years prior (through completion or stop out), are currently not enrolled in any institution of higher education, and are working.
- Median earnings are calculated by using data from the Bureau of the Census for the state in which the institution is located
 - If less than 50% of the students enrolled in the institution reside in the state, national data will be used to calculate median earnings
- For any given year in which the cohort is smaller than 30 students, the Secretary of Education will first aggregate additional years of programmatic data together to reach the 30-individuals threshold for a cohort and then aggregate additional cohort years of programmatic data for degrees of equivalent length to reach a cohort of at least 30 individuals
- Institutions will be able to appeal the programmatic median earnings of students working and not enrolled, the program may still participate in the loan program during the appeals process
- Institutions will be required to notify students who are enrolled in programs that fail the median earnings requirement for one year that the program is at risk of losing access to federal loans
- Programs may be eligible to apply for eligibility to participate in the federal loans program after a period of two years of being ineligible, through a process established by the Secretary of Education.

Subtitle F – Regulatory Relief

Sec. 85001 Repeal of Rule Relating to Borrower Defense to Repayment

- Repeals the updated borrower defense rule established by the Biden Administration and reverts it back to the Trump era borrower defense rule established on July 1, 2020.

Sec. 85002. Repeal of Rule Relating to Closed School Discharges

- Repeals the Biden era closed school discharge rules and revert it back to its previous iteration.

Subtitle G – Limitation on Authority

Sec. 86001. Limitation of Authority of Secretary to Propose or Issue Regulations and Executive Actions.

- Prevents the Secretary of Education from issuing new draft, proposed, or final rules or executive actions related to federal financial aid that are economically significant and result in an increase of costs to the federal government (increase of subsidy cost)
- “Economically significant” is defined as having an annual effect on the economy of \$100,000,000 or more OR to adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or Tribal governments/communities