

Restoring College Access and Affordability Act

Sponsored by Senator Richard Blumenthal (D-Conn.)

Background

The *One Big Beautiful Bill Act* (OBBBA) introduced major changes to federal student aid under Title VIII, altering loan limits, repayment and forgiveness options, and Pell Grant eligibility. These provisions will restrict access to affordable higher education, weaken borrower protections, and threaten institutional stability. Students, educators, and financial aid administrators warn that the law's rigid metrics and arbitrary restrictions could block access to higher education for the very students the federal aid system is meant to serve.

The Problem¹²³

The *One Big Beautiful Bill Act* undermines higher education affordability and equity in several ways, including by:

- Eliminating Graduate PLUS loans and capping Parent PLUS loans, cutting off essential financing for families and graduate students.
- Restricting repayment options and limiting deferment and forbearance protections for borrowers in financial hardship. This includes forcing many borrowers into an income driven repayment plan that would require nearly 30 years of repayment before a borrower is eligible for loan cancellation.
- Eliminating strong protections for borrowers defrauded by unscrupulous institutions.
- Reducing Pell Grant access by authorizing new income restrictions and penalizing students who receive scholarships or other types of financial aid.
- Increasing the endowment tax, which forces colleges to cut scholarships and financial aid, making college less affordable for students.

The Solution

The *Restoring College Access and Affordability Act* restores fairness, flexibility, and accountability in federal student aid by:

- Restoring the Graduate PLUS loan program and repealing restrictive loan caps.
- Reinstating full repayment, deferment, and forbearance protections for borrowers.
- Eliminating harmful reductions in Pell Grant awards
- Closing an existing loophole to ensure certificate programs are covered by new accountability metrics.
- Protecting borrowers' defense and closed school discharges from restrictive eligibility that shields predatory schools from accountability and denies defrauded borrowers' relief.
- Repealing tiered system that increases the endowment tax for Colleges and Universities

Endorsements: Protect Borrowers, The American Federation of Teachers, The Institute for College Access and Success, National Consumer Law Center, National Association for College Admission Counseling, Student Debt Center

Original Cosponsors: Senators Lujan, Booker, Merkley, Alsobrooks, Kaine

¹ Zhang, Jennifer. "Deep Dive: The OBBBA Law Makes Paying for College More Expensive and Riskier." Protect Borrowers. September 11, 2025

² Looney, Adam et al. "How OBBBA reshapes student lending." Brookings. January 26, 2026

³ Mowreader, Ashley. "How the One Big Beautiful Bill Act Threatens Student Success." Inside Higher Ed. October 30th, 2025