

Student Loan, FAFSA Changes Would Support Families During Uncertainty

The following is a statement from Kenneth Megan, Associate Director of Higher Education at the Bipartisan Policy Center:

“The Student Loan Repayment and FAFSA Simplification Act, recently introduced by Sen. Lamar Alexander (R-TN), is a positive step forward in providing support for our nation’s student loan borrowers during a time of tremendous economic uncertainty. Federal direct student loan payments and interest are currently suspended, but when they resume, Congress should consider streamlining repayment options and reducing complexities. We support this legislation as it would help to ensure affordable payments among struggling borrowers, including those who lost their jobs due to COVID-19, through a simplified income-driven repayment option. It would also simplify the FAFSA, making it easier for students to apply for financial aid and therefore improve affordability and accessibility in higher education.

“The provisions in this bill have previously been supported by members of both parties, and indeed, mirror several of the proposals put forth by BPC’s Task [Force](#) on Higher Education Financing and Student Outcomes.

“Although monthly loan payments are currently set to resume in October, Congress may decide to extend the suspension due to the resurgence of the coronavirus. Regardless of when payments resume, Congress should consider adopting the provisions laid out in this legislation. In addition, we urge lawmakers to pass legislation that would automatically enroll borrowers into IDR, which would enhance uptake by reducing paperwork. Finally, Congress should look at ways to enhance support for Parent PLUS borrowers who have borrowed on behalf of their children, as many of them are financially vulnerable and they remain ineligible for IDR.

“Ultimately, the Bipartisan Policy Center applauds Chairman Alexander’s leadership in proposing bipartisan provisions that would improve the higher education system for students and borrowers during this difficult time.”