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Streamlining Accountability and Value in Education (SAVE) for Students Act

There are nine different repayment options that student loan borrowers have to choose between after they leave school. This complex array of repayment options creates confusion among borrowers and makes it difficult for the Department of Education (ED), loan servicers, and financial aid administrators to effectively advise borrowers.

THIS LEGISLATION WOULD:

- Streamline repayment options for borrowers to two options:
  - The 10-year standard repayment plan.
  - The REPAYE+, an income driven repayment plan that provides earlier forgiveness for low-income, low-balance undergraduate borrowers.
- Prohibit new federal student loans from paying for undergraduate programs in which half of the former students are unable to earn a salary higher than the median high school graduate.
- Prohibit new federal student loans from paying for graduate programs in which half of the former students are unable earn more than a median bachelor's degree recipient.
- End the ability of ED to create additional repayment plans without Congressional approval.
- Prohibit the Secretary from implementing Biden's proposed income-driven repayment regulation that would not require the majority of borrowers to pay back even half of the principal on their loan.

HOW WOULD THE CURRENT REPAYE PROGRAM CHANGE?

- Forgiveness will be provided to lower-dollar undergraduate borrowers beginning at 10 years for borrowers who took $10,000 or less, 11 years for borrowers who took $11,000 or less, and so on.
- Protection for delinquent borrowers will be provided by putting the borrower in the income-contingent plan at 75 days delinquent.
- Additional deferment and forbearances during national service, cancer, and administrative forbearances will count toward 20 or 25 years of repayment.
- Borrowers will be allowed to provide back payments on some prior deferment and forbearance periods to keep on track for forgiveness.

HOW DOES IT STAY THE SAME?

- Borrowers' income is protected up to 150% of poverty, defined as an annual income of $21,870 for a single person and an annual income of $45,000 for a family of four.
- Above 150% of poverty borrowers pay 10% of their discretionary income, a single person with an annual income of $30,000 pays $67.75 per month, and an annual income of $55,000 for a family of four pays $83.33 per month.
- Undergraduate-only borrowers pay for 20 years prior to forgiveness of their remaining balance.
- Graduate borrowers pay for 25 years prior to forgiveness of their remaining balance.
- If payment doesn't cover interest, there is a 100% subsidy on subsidized loans for three years and a 50% subsidy on unsubsidized loans.