

119TH CONGRESS
2D SESSION

H. R. 7232

To amend the Higher Education Act of 1965 to provide a student loan allowance calculation for purposes of determining the student aid index.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 22, 2026

Ms. STEVENS introduced the following bill; which was referred to the Committee on Education and Workforce

A BILL

To amend the Higher Education Act of 1965 to provide a student loan allowance calculation for purposes of determining the student aid index.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Alleviating Intergen-
5 erational Debt Act” or the “AID Act”.

6 **SEC. 2. STUDENT LOAN ALLOWANCE CALCULATION FOR**
7 **AWARD YEAR 2027–2028 AND EACH SUC-**
8 **CEEDING AWARD YEAR.**

9 (a) IN GENERAL.—Section 475(c) of the Higher
10 Education Act of 1965 (20 U.S.C. 1087oo(c)), as amend-

1 ed by title VII of division FF of the FAFSA Simplification
2 Act (Public Law 116–260), is further amended—

3 (1) in paragraph (1)—

4 (A) by striking “and” at the end of sub-
5 paragraph (C);

6 (B) by striking the period at the end of
7 subparagraph (D) and inserting “; and”; and

8 (C) by adding at the end the following:

9 “(E) beginning with award year 2027–
10 2028, a student loan allowance, determined in
11 accordance with paragraph (5).”; and

12 (2) by adding at the end the following:

13 “(5) STUDENT LOAN ALLOWANCE.—

14 “(A) IN GENERAL.—The student loan al-
15 lowance is equal to the lesser of \$4,000 or 15
16 percent of the single parent’s outstanding stu-
17 dent loan debt or married parents’ combined
18 outstanding student loan debt (as adjusted
19 under section 478(i)).

20 “(B) EXCEPTIONS.—A single parent with
21 an adjusted gross income of more than
22 \$200,000 (as adjusted under section 478(i)), or
23 married parents with a combined adjusted gross
24 income of more than \$400,000 (as so adjusted),

1 may not receive a student loan allowance under
2 this paragraph.

3 “(C) DEFINITIONS.—In this paragraph:

4 “(i) FEDERAL STUDENT LOAN.—The
5 term ‘Federal student loan’ means any
6 loan made, insured, or guaranteed under
7 this title.

8 “(ii) OUTSTANDING STUDENT LOAN
9 DEBT.—The term ‘outstanding student
10 loan debt’, used with respect to a parent,
11 means the total amount of principal, inter-
12 est, and fees owed by such parent, as of
13 the date of determination of the allowance
14 under this paragraph, on Federal student
15 loans.”.

16 (b) ADJUSTMENT.—Section 478 of the Higher Edu-
17 cation Act of 1965 (20 U.S.C. 1087rr), as amended by
18 title VII of division FF of the FAFSA Simplification Act
19 (Public Law 116–260), is further amended by adding at
20 the end the following:

21 “(i) STUDENT LOAN EXPENSE ALLOWANCE.—For
22 award year 2028–2029 and each succeeding award year,
23 the Secretary shall publish in the Federal Register a re-
24 vised table of student loan allowances for the purpose of
25 section 475(c)(5). Such revised table shall be developed

1 by increasing the dollar amounts specified in subpara-
2 graphs (A) and (B) of section 475(c)(5) by a percentage
3 equal to the percentage increase in the Consumer Price
4 Index, as defined in subsection (f), between April 2022
5 and the April in the year prior to the beginning of the
6 award year and rounding the result to the nearest \$10.”.

7 **SEC. 3. REPORT TO CONGRESS.**

8 (a) IN GENERAL.—Not later than July 1, 2028, and
9 on an annual basis thereafter, the Secretary of Education
10 shall prepare and submit to Congress a report on the im-
11 pacts of the amendments made by this Act, which shall
12 include the following information with respect to the most
13 recent award year for which information is available:

14 (1) The number and percentage of dependent
15 students whose student aid index computations
16 under subsection (a) of section 475 of the Higher
17 Education Act of 1965 (20 U.S.C. 1087oo) include
18 the subtraction under subsection (c) of such section
19 475 of a student loan allowance determined under
20 paragraph (5) of such subsection (c), as added by
21 section 2, from the parents’ total income,
22 disaggregated—

23 (A) by students who are eligible for a Fed-
24 eral Pell Grant under section 401 of the Higher

1 Education Act of 1965 (20 U.S.C. 1070a) for
2 such award year; and

3 (B) by students who are not eligible for
4 such a Federal Pell Grant.

5 (2) The average amount of the student loan al-
6 lowance described in paragraph (1).

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