

119TH CONGRESS  
2D SESSION

# H. R. 9166

To amend the Higher Education Act of 1965 to provide for the refinancing of certain Federal student loans, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2026

Mr. TURNER of Ohio (for himself, Mr. NORCROSS, Mr. FITZPATRICK, and Mr. DOGGETT) 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 for the refinancing of certain Federal student loans, and for other purposes.

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 “Student Loan Refi-  
5 nancing Act of 2026”.

6 **SEC. 2. REFINANCING PROGRAMS.**

7 (a) PROGRAM AUTHORITY.—Section 451(a) of the  
8 Higher Education Act of 1965 (20 U.S.C. 1087a(a)) is  
9 amended—

1           (1) by striking “and (2)” and inserting “(2)”;  
2           (2) by inserting “; and (3) to make refinanced  
3           loans under section 460A” after “section 459A”;  
4           and (3) by inserting “, except for refinanced loans  
5           made under section 460A,” after “Loans made  
6           under this part”.

7           (b) REFINANCING PROGRAM.—Part D of title IV of  
8           the Higher Education Act of 1965 (20 U.S.C. 1087a et  
9           seq.) is amended by adding at the end the following:

10       **“SEC. 460A. REFINANCING FFEL AND FEDERAL DIRECT**  
11                               **LOANS.**

12           “(a) IN GENERAL.—Beginning not later than 30  
13           days after the date of enactment of the Student Loan Re-  
14           financing Act of 2026, the Secretary shall establish a pro-  
15           gram under which the Secretary, upon the receipt of an  
16           application from a borrower, makes a refinanced loan  
17           under this part, in accordance with the provisions of this  
18           section, in order to permit the borrower to obtain the in-  
19           terest rate provided under subsection (c).

20           “(b) REFINANCING.—

21                       “(1) FEDERAL DIRECT LOANS.—Upon applica-  
22           tion of a borrower, the Secretary shall repay a Fed-  
23           eral Direct Stafford Loan, a Federal Direct Unsub-  
24           sidized Stafford Loan, a Federal Direct PLUS  
25           Loan, or a Federal Direct Consolidation Loan of the

1 borrower, with the proceeds of a refinanced Federal  
2 Direct Stafford Loan, a refinanced Federal Direct  
3 Unsubsidized Stafford Loan, a refinanced Federal  
4 Direct PLUS Loan, or a refinanced Federal Direct  
5 Consolidation Loan, respectively, issued to the bor-  
6 rower in an amount equal to the sum of the unpaid  
7 principal, accrued unpaid interest, and late charges  
8 of the original loan.

9 “(2) REFINANCING FFEL PROGRAM LOANS AS  
10 REFINANCED FEDERAL DIRECT LOANS.—Upon ap-  
11 plication of a borrower with respect to a loan with  
12 an outstanding balance that was made, insured, or  
13 guaranteed under part B, the Secretary shall make  
14 a loan under this part, in an amount equal to the  
15 sum of the unpaid principal, accrued unpaid inter-  
16 est, and late charges of the original loan to the bor-  
17 rower in accordance with the following:

18 “(A) The Secretary shall pay the proceeds  
19 of such loan to the eligible lender of the loan  
20 made, insured, or guaranteed under part B, in  
21 order to discharge the borrower from any re-  
22 maining obligation to the lender with respect to  
23 the original loan.

1           “(B) A loan made under this section that  
2 was originally a loan made, insured, or guaran-  
3 teed—

4           “(i) under section 428 shall be a refi-  
5 nanced Federal Direct Stafford Loan;

6           “(ii) under section 428B shall be a re-  
7 financed Federal Direct PLUS Loan;

8           “(iii) under section 428H shall be a  
9 refinanced Federal Direct Unsubsidized  
10 Stafford Loan; and

11           “(iv) under section 428C shall be a  
12 refinanced Federal Direct Consolidation  
13 Loan.

14           “(c) INTEREST RATES.—

15           “(1) IN GENERAL.—The interest rate for refi-  
16 nanced Federal Direct Stafford Loans, refinanced  
17 Federal Direct Unsubsidized Stafford Loans, refi-  
18 nanced Federal Direct PLUS Loans, and refinanced  
19 Federal Direct Consolidation Loans, shall be a rate  
20 equal to the following:

21           “(A) FEDERAL DIRECT STAFFORD  
22 LOANS.—

23           “(i) RATES FOR UNDERGRADUATE  
24 FDSL.—In the case of a refinanced Federal  
25 Direct Stafford Loan for which the original

1 loan was a loan made under section 428 or  
2 a Federal Direct Stafford Loan made  
3 under this part to an undergraduate stu-  
4 dent, the rate of interest on such refi-  
5 nanced Federal Direct Stafford Loan shall  
6 be equal to the rate of interest for a Fed-  
7 eral Direct Stafford Loan made to an un-  
8 dergraduate student for which the first dis-  
9 bursement is made on the date on which  
10 the refinanced Federal Direct Stafford  
11 Loan is made under this section.

12 “(ii) RATES FOR GRADUATE AND PRO-  
13 FESSIONAL FDSL.—In the case of a refi-  
14 nanced Federal Direct Stafford Loan for  
15 which the original loan was a loan made  
16 under section 428 or a Federal Direct  
17 Stafford Loan made under this part to a  
18 graduate or professional student, the rate  
19 of interest on such refinanced Federal Di-  
20 rect Stafford Loan shall be equal to the  
21 rate of interest for a Federal Direct Staf-  
22 ford Loan made to a graduate or profes-  
23 sional student, as applicable, for which the  
24 first disbursement is made on the date on

1           which the refinanced Federal Direct Staf-  
2           ford Loan is made under this section.

3           “(B) FEDERAL DIRECT UNSUBSIDIZED  
4           STAFFORD LOANS.—

5                   “(i) RATES FOR UNDERGRADUATE  
6           FDUSL.—In the case of a refinanced Fed-  
7           eral Direct Unsubsidized Stafford Loan for  
8           which the original loan was a loan made  
9           under section 428H or a Federal Direct  
10          Unsubsidized Stafford Loan made under  
11          this part an undergraduate student, the  
12          rate of interest on such refinanced Federal  
13          Direct Unsubsidized Stafford Loan shall  
14          be equal to the rate of interest for a Fed-  
15          eral Direct Unsubsidized Stafford Loan  
16          made to an undergraduate student for  
17          which the first disbursement is made on  
18          the date on which the refinanced Federal  
19          Direct Unsubsidized Stafford Loan is  
20          made under this section.

21                   “(ii) RATES FOR GRADUATE AND PRO-  
22          FESSIONAL FDUSL.—In the case of a refi-  
23          nanced Federal Direct Unsubsidized Staf-  
24          ford Loan for which the original loan was  
25          a loan made under section 428H or a Fed-

1           eral Direct Unsubsidized Stafford Loan  
2           made under this part to a graduate or pro-  
3           fessional student, the rate of interest on  
4           such refinanced Federal Direct Unsub-  
5           sidized Stafford Loan shall be equal to the  
6           rate of interest for a Federal Direct Un-  
7           subsidized Stafford Loan made to a grad-  
8           uate or professional student, as applicable,  
9           for which the first disbursement is made  
10          on the date on which the refinanced Fed-  
11          eral Direct Unsubsidized Stafford Loan is  
12          made under this section.

13           “(C) FEDERAL DIRECT PLUS LOANS.—In  
14          the case of a refinanced Federal Direct PLUS  
15          Loan for which the original loan was a loan  
16          made under section 428B or a Federal Direct  
17          PLUS Loan made under this part, the rate of  
18          interest on such refinanced Federal Direct  
19          PLUS loan shall be equal to the rate of interest  
20          for a Federal Direct PLUS loan for which the  
21          first disbursement is made on the date on which  
22          the refinanced Federal Direct PLUS loan is  
23          made under this section.

24           “(D) CONSOLIDATION LOANS.—In the case  
25          of a refinanced Federal Direct Consolidation

1           Loan for which the original loan was a loan  
2           under section 428C or a Federal Direct Con-  
3           solidation Loan under this part, the rate of in-  
4           terest of such refinanced Federal Direct Con-  
5           solidation Loan shall be equal to the rate cal-  
6           culated in accordance with paragraph (2).

7           “(2) INTEREST RATES FOR CONSOLIDATION  
8           LOANS.—

9                   “(A) METHOD OF CALCULATION.—In  
10           order to determine the interest rate for any re-  
11           financed Federal Direct Consolidation Loan  
12           under paragraph (1)(D), the Secretary shall—

13                           “(i) determine each of the component  
14           loans that were originally consolidated in  
15           the loan under section 428C or the Federal  
16           Direct Consolidation Loan, and calculate  
17           the proportion of the unpaid principal bal-  
18           ance of the loan under section 428C or the  
19           Federal Direct Consolidation Loan that  
20           each component loan represents;

21                           “(ii) use the proportions determined  
22           in accordance with clause (i) and the inter-  
23           est rate applicable for each component  
24           loan, as determined under subparagraph  
25           (B), to calculate the weighted average of

1 the interest rates on the loans consolidated  
2 into the loan under section 428C or the  
3 Federal Direct Consolidation Loan; and

4 “(iii) apply the weighted average cal-  
5 culated under clause (ii) as the interest  
6 rate for the refinanced Federal Direct Con-  
7 solidation Loan.

8 “(B) INTEREST RATES FOR COMPONENT  
9 LOANS.—The interest rates for the component  
10 loans of a loan made under section 428C or a  
11 Federal Direct Consolidation Loan shall be the  
12 following:

13 “(i) FEDERAL DIRECT STAFFORD  
14 LOANS.—

15 “(I) UNDERGRADUATE FDSL.—

16 The interest rate for any component  
17 loan that is a loan under section 428  
18 or a Federal Direct Stafford Loan  
19 made to an undergraduate student  
20 shall be a rate equal to the lesser of—

21 “(aa) the rate of interest for  
22 a refinanced Federal Direct Staf-  
23 ford Loan determined under  
24 paragraph (1)(A)(i) if such loan  
25 were made on the date on which

1 the refinanced Federal Direct  
2 Consolidation Loan is made  
3 under this section; or

4 “(bb) the original interest  
5 rate of the component loan.

6 “(II) GRADUATE OR PROFES-  
7 SIONAL FDSL.—The interest rate for  
8 any component loan that is a loan  
9 under section 428 or a Federal Direct  
10 Stafford Loan made to a graduate or  
11 professional student shall be a rate  
12 equal to the lesser of—

13 “(aa) the rate of interest for  
14 a refinanced Federal Direct Staf-  
15 ford Loan determined under  
16 paragraph (1)(A)(ii) if such loan  
17 were made on the date on which  
18 the refinanced Federal Direct  
19 Consolidation Loan is made  
20 under this section; or

21 “(bb) the original interest  
22 rate of the component loan.

23 “(ii) FEDERAL DIRECT UNSUBSIDIZED  
24 STAFFORD LOANS.—

1                   “(I) UNDERGRADUATE FDUSL.—  
2                   The interest rate for any component  
3                   loan that is a loan under section  
4                   428H or a Federal Direct Unsub-  
5                   sidized Stafford Loan made to an un-  
6                   dergraduate student shall be a rate  
7                   equal to the lesser of—

8                                 “(aa) the rate of interest for  
9                                 a refinanced Federal Direct Un-  
10                                subsidized Stafford Loan deter-  
11                                mined under paragraph (1)(B)(i)  
12                                if such loan were made on the  
13                                date on which the refinanced  
14                                Federal Direct Consolidation  
15                                Loan is made under this section;  
16                                or

17                                “(bb) the original interest  
18                                rate of the component loan.

19                   “(II) GRADUATE FDUSL.—The  
20                   interest rate for any component loan  
21                   that is a loan under section 428H or  
22                   a Federal Direct Unsubsidized Staf-  
23                   ford Loan made to a graduate or pro-  
24                   fessional student shall be a rate equal  
25                   to the lesser of—

1                   “(aa) the rate of interest for  
2                   a refinanced Federal Direct Un-  
3                   subsidized Stafford Loan deter-  
4                   mined under paragraph (1)(B)(ii)  
5                   if such loan were made on the  
6                   date on which the refinanced  
7                   Federal Direct Consolidation  
8                   Loan is made under this section;  
9                   or

10                   “(bb) the original interest  
11                   rate of the component loan.

12                   “(iii) FEDERAL DIRECT PLUS  
13                   LOANS.—The interest rate for any compo-  
14                   nent loan that is a loan under section  
15                   428B or a Federal Direct PLUS Loan  
16                   shall be a rate equal to the lesser of—

17                   “(I) the rate of interest for a re-  
18                   financed Federal Direct PLUS loan  
19                   determined under paragraph (1)(C) if  
20                   such loan were made on the date on  
21                   which the refinanced Federal Direct  
22                   Consolidation Loan is made under  
23                   this section; or

24                   “(II) the original interest rate of  
25                   the component loan.

1           “(iv) FEDERAL DIRECT CONSOLIDA-  
2           TION LOAN.—The interest rate for any  
3           component loan that is a loan under sec-  
4           tion 428C or a Federal Direct Consolida-  
5           tion Loan shall be the weighted average of  
6           the interest rates that would apply under  
7           this subparagraph for each loan comprising  
8           the component consolidation loan.

9           “(v) OTHER LOANS.—The interest  
10          rate for any eligible loan that is a compo-  
11          nent of a loan made under section 428C or  
12          a Federal Direct Consolidation Loan and  
13          is not described in clauses (i) through (iv)  
14          shall be the interest rate on the original  
15          component loan.

16          “(3) FIXED RATE.—The applicable rate of in-  
17          terest determined under paragraph (1) for a refi-  
18          nanced loan under this section shall be fixed for the  
19          period of the loan.

20          “(d) TERMS AND CONDITIONS OF LOANS.—

21                 “(1) IN GENERAL.—Except as otherwise pro-  
22                 vided in this section, a loan that is refinanced under  
23                 this section—

24                         “(A) shall, with respect to the application  
25                         of terms and conditions under this title, be con-

1           sidered to be a loan made, insured, or guaran-  
2           teed under this title on the date of the original  
3           loan and shall not be considered to be a new  
4           loan made on the date of refinancing; and

5           “(B) shall have the same terms and condi-  
6           tions as the original loan, including any suspen-  
7           sions of payments or interest accrual under sec-  
8           tion 3513 of the Coronavirus Aid, Relief, and  
9           Economic Security Act (20 U.S.C. 1001 note),  
10          or any extensions of such suspensions, except  
11          that in the case of an original loan made, in-  
12          sured, or guaranteed under part B that is refi-  
13          nanced under this section, such refinanced loan  
14          shall be considered a Federal Direct loan and  
15          shall have the same terms and conditions as a  
16          Federal Direct loan under part D that cor-  
17          responds to the type of the original part B loan  
18          and that was made on the same date as such  
19          original part B loan.

20          “(2) NO AUTOMATIC EXTENSION OF REPAY-  
21          MENT PERIOD.—Refinancing a loan under this sec-  
22          tion shall not result in the extension of the duration  
23          of the repayment period of the loan, and the bor-  
24          rower shall retain the same repayment term and  
25          plan that was in effect on the original loan on the

1 day before the date the loan is refinanced. Nothing  
2 in this paragraph shall be construed to prevent a  
3 borrower from electing a different repayment plan at  
4 any time in accordance with section 455(d)(3) or  
5 section 455(d)(7)(D), as applicable based on the  
6 date of the original loan.

7 “(3) ORIGINATION FEES AND LOAN LIMITS.—  
8 Refinancing a loan under this section shall not result  
9 in the application of an origination fee under section  
10 455(c), and the refinanced loan amount shall not be  
11 subject to any annual, aggregate, or lifetime aggregate  
12 maximum loan limit under part B or this part.

13 “(4) LIMIT ON REFINANCING.—A loan made,  
14 insured, or guaranteed under this title may not be  
15 refinanced under this section more than twice during  
16 a 10-year period.

17 “(e) NOTIFICATION TO BORROWERS.—The Sec-  
18 retary, in coordination with the Director of the Bureau  
19 of Consumer Financial Protection, shall undertake a cam-  
20 paign to alert borrowers of loans that are eligible for refi-  
21 nancing under this section that the borrowers are eligible  
22 to apply for such refinancing. The campaign shall include  
23 the following activities:

1           “(1) Developing consumer information mate-  
2           rials about the availability of Federal student loan  
3           refinancing.

4           “(2) Requiring servicers of loans under this  
5           part and part B to provide such consumer informa-  
6           tion to borrowers in a manner determined appro-  
7           priate by the Secretary, in consultation with the Di-  
8           rector of the Bureau of Consumer Financial Protec-  
9           tion.”.

10          (c) INCOME-CONTINGENT REPAYMENT.—Section  
11 455(e) of the Higher Education Act of 1965 (20 U.S.C.  
12 1087e(e)) is amended by adding at the end the following:

13           “(9) SPECIAL RULE FOR REFINANCED  
14           LOANS.—In calculating the period of time during  
15           which a borrower of a loan that is refinanced under  
16           section 460A before July 1, 2028, has made monthly  
17           payments for purposes of paragraph (7), the Sec-  
18           retary shall deem the period to include all monthly  
19           payments made for the original loan, and all month-  
20           ly payments made for the refinanced loan, that oth-  
21           erwise meet the requirements of this subsection.”.

22          (d) AMENDMENTS TO PUBLIC SERVICE REPAYMENT  
23 PLAN PROVISIONS.—Section 455(m) of the Higher Edu-  
24 cation Act of 1965 (20 U.S.C. 1087e(m)) is amended—

1 (1) by redesignating paragraphs (3) and (4) as  
2 paragraphs (4) and (5), respectively;

3 (2) by inserting after paragraph (2) the fol-  
4 lowing:

5 “(3) SPECIAL RULES FOR SECTION 460A  
6 LOANS.—

7 “(A) REFINANCED FEDERAL DIRECT  
8 LOANS.—Notwithstanding paragraph (1), in de-  
9 termining the number of monthly payments  
10 that meet the requirements of such paragraph  
11 for an eligible Federal Direct Loan refinanced  
12 under section 460A that was originally a loan  
13 under this part, the Secretary shall include all  
14 monthly payments made on the original loan  
15 that meet the requirements of such paragraph.

16 “(B) REFINANCED FFEL LOANS.—In the  
17 case of an eligible Federal Direct Loan refi-  
18 nanced under section 460A that was originally  
19 a loan under part B, only monthly payments  
20 made after the date on which the loan was refi-  
21 nanced may be included for purposes of para-  
22 graph (1).”; and

23 (3) in paragraph (4)(A) (as redesignated by  
24 paragraph (1)), by inserting “(including any Federal  
25 Direct Stafford Loan, Federal Direct PLUS Loan,

1 Federal Direct Unsubsidized Stafford Loan, or Fed-  
2 eral Direct Consolidation Loan refinanced under sec-  
3 tion 460A)” before the period at the end.

4 (e) INCOME-BASED REPAYMENT.—Section 493C of  
5 the Higher Education Act of 1965 (20 U.S.C. 1098e) is  
6 amended by adding at the end the following:

7 “(f) SPECIAL RULE FOR REFINANCED LOANS.—In  
8 calculating the period of time during which a borrower of  
9 a loan that is refinanced under section 460A has made  
10 monthly payments for purposes of subsection (b)(7), the  
11 Secretary shall deem the period to include all monthly pay-  
12 ments made for the original loan, and all monthly pay-  
13 ments made for the refinanced loan, that otherwise meet  
14 the requirements of this section.”.

○