

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.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 22, 2026

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

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## 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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