



The Parent PLUS Parity Act

Senator Chris Van Hollen and Congresswoman Alma Adams

Today, millions of parents are burdened by crushing student loan debt. Established in 1980, Parent PLUS loans were initially intended to assist higher-asset families, but as tuition has skyrocketed and the purchasing power of the Pell Grant has fallen, families with limited resources, particularly families of color, have increasingly turned to Parent PLUS loans to make up the shortfall.

The consequences of this have been enormous, trapping thousands of low-income American families under a crushing financial burden. Nationwide, approximately 3.9 million borrowers have outstanding Parent PLUS loan balances totaling \$112 billion. Between 1996 and 2018, the number of Parent PLUS recipients under the federal poverty line rose by an astonishing 350 percent. In 2020, the average Parent PLUS loan debt held by borrowers was \$37,970, a 40 percent increase since 2000. In 2015, 40,000 disabled or retired Parent PLUS borrowers had their Social Security benefits garnished after defaulting on their loans.

Currently, these borrowers are excluded from most income-based repayment plans, including the Saving on a Valuable Education (SAVE) Plan, Pay As You Earn (PAYE) Repayment Plan, and Income-Based Repayment (IBR) Plan. Parent PLUS borrowers are also not eligible to discharge their loans in cases where their child becomes disabled and face additional barriers to obtaining Public Student Loan Forgiveness (PSLF).

The **Parent PLUS Parity Act** will help families tackle intergenerational debt, ensure equal access to programs available to other borrowers, and provide urgently-needed assistance to millions of forgotten Parent PLUS borrowers by:

- Expanding the income-driven repayment plan options for Parent PLUS and all Federal Family Education Loan (FFEL) borrowers to all income-driven repayment plans and any forthcoming plans issued by the Department of Education, including the new SAVE program, PAYE, and IBR.
- Making Parent PLUS borrowers eligible for discharge if their child on whose behalf they've taken out loans becomes eligible for Total and Permanent Disability discharge.
- Making Parent PLUS borrowers eligible for automatic discharge if their child on whose behalf they've taken out loans has their own loans discharged under Borrower Defense.
- Making Parent PLUS borrowers eligible for PSLF if their child on whose behalf they've taken out loans serves the standard amount of time (120 months) in qualifying public service employment.
- Directing the Secretary of Education to create a new hardship category program that will permit Parent PLUS borrowers to apply for loan discharge if they meet certain requirements based on income, borrower age, and other factors.

Senate cosponsors: Senators Alex Padilla (D-Calif.) [Senate co-lead], Cory Booker (D-N.J.), Tim Kaine (D-Va.), Bernie Sanders (I-Vt.), Tina Smith (D-Minn.), Elizabeth Warren (D-Mass.), and Peter Welch (D-Vt.).

House cosponsors: Bonnie Watson Coleman (D-N.J.) and Maxine Waters (D-Calif.).

Endorsing organizations

NAACP
National Education Association
Student Borrower Protection Center
The Institute for College Access & Success (TICAS)
Student Debt Crisis Center
Project on Predatory Student Lending
Education Trust
Justice in Aging
The Century Foundation Higher Education Team