

COULD YOU ATTEND COLLEGE WITHOUT FINANCIAL AID?

The Federal government is making stark changes that will have a major impact on student access to higher education. Job cuts at the US Department of Education have **cut the departments that process student aid and student loans** by more than half. The administration also plans to move student aid and loan functions into another Federal agency. All of this has thrown the infrastructure that makes it possible to apply for and receive student aid into chaos. **It is not clear how student aid and loans will be processed going forward.**

Furthermore, **Congress is considering a host of changes to student aid and loans** through a budget process called reconciliation that will **make it much, much harder for students to pay for college.**

Some of the things they may do include:

- **Limiting both federal Pell grants and federal student loans** to the median cost of attendance –intentionally **leaving half of all students with unmet financial need.**
- **Eliminating the American opportunity tax credit**, which allows taxpayers to receive an annual credit of up to \$2,500 per eligible student for qualified educational expenses for the first four years of higher education.
- **Eliminating the lifetime learning credit**, which provides a nonrefundable tax credit equal to 20 percent of the taxpayer's qualified tuition and related expenses that do not exceed \$10,000.
- **Taxing scholarship and fellowship funds**, which have mostly been excluded from taxable income if used for tuition and related expenses.
- **Eliminating the deduction of interest on student loans.** Middle-class taxpayers currently can deduct up to \$2,500 of interest paid on student loans from their taxable income.
- **Making student loans more expensive** by eliminating existing income-driven repayment plans and replacing them with a less affordable option.
- **Eliminating grad and parent PLUS loans.** Students and families will be forced into the private student loan market, which lacks many important consumer protections for borrowers.

Take action! Tell your members of Congress that you and your family rely on financial aid and student loans! You deserve access to higher education!

