ACCOUNTABILITY | INTEGRITY | RULE OF LAW

EXECUTIVE ORDER

FEDERAL STUDENT LOAN AFFORDABILITY, ACCOUNTABILITY, AND REPAYMENT REFORM INITIATIVE

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

Section 1. Purpose.

Federal student-loan repayment should be administered so that borrowers can meet lawful repayment obligations without payment structures that disregard income and essential living expenses. It is the policy of the executive branch to use existing lawful authority to improve affordability and administration while developing legislative proposals for reforms that require congressional action.

Sec. 2. Ninety-Day Student Loan Affordability Review.

Within 90 days of this order, the Secretary of Education, in consultation with the Secretary of the Treasury, Director of the Office of Management and Budget, and other appropriate officials, shall complete a comprehensive review of the federal student-loan portfolio and federal repayment system. The review shall examine delinquency and default, borrower income, debt burdens, repayment performance, interest accumulation, administrative complexity, and the effects of repayment requirements on borrowers with low or unstable income.

Sec. 3. Affordability Reform Model.

The Secretary of Education shall model a federal repayment framework under which required payments automatically respond to verified borrower income and household circumstances. The study shall specifically evaluate: (a) a protected subsistence-income threshold below which the required monthly payment would be zero; (b) graduated payments above that threshold; (c) mechanisms preventing unpaid interest from causing balances to grow when borrowers make all required payments; (d) principal-reduction mechanisms; and (e) discharge after a defined period of compliant repayment.

Sec. 4. Automatic Income Verification.

The Secretary of Education and Secretary of the Treasury shall identify all lawful means to simplify income certification and annual recertification, including consensual use of federal tax information where authorized by law, with appropriate privacy, cybersecurity, notice, and data-minimization safeguards.

Sec. 5. Existing Executive Authority.

Within 60 days, the Secretary of Education and Attorney General shall identify administrative actions that may lawfully be taken under existing statutes to reduce unnecessary repayment friction, improve servicing, prevent erroneous delinquency or default determinations, strengthen borrower communications, implement congressionally authorized interest protections, and ensure eligible borrowers receive repayment and discharge benefits established by law. No action under this section shall exceed authority delegated by Congress.

Sec. 6. Repayment Assistance Plan Review.

The Secretary of Education shall evaluate the operation of the congressionally authorized Repayment Assistance Plan and other repayment options applicable to existing borrowers. The review shall identify statutory or administrative barriers that prevent payments from adequately reflecting borrowers' ability to pay and shall recommend lawful administrative corrections or legislative amendments, as appropriate.

Sec. 7. Protection Against Balance Growth.

The Secretary of Education shall identify all authority available under current law to ensure that borrowers who make the full payment required under an applicable repayment plan receive every interest subsidy, waiver, matching principal benefit, or other balance protection for which they qualify. The Secretary shall also identify additional balance-growth protections that would require legislation.

Sec. 8. Borrowers in Financial Hardship.

The Secretary of Education shall review lawful options for borrowers experiencing unemployment, very low income, homelessness, disability, major financial disruption, or other qualifying hardship. The review shall seek to reduce avoidable default while preserving requirements imposed by Congress and protecting taxpayers from fraud or abuse.

Sec. 9. Legislative Student Loan Affordability Reform Plan.

Within 120 days, the Secretary of Education, in coordination with the Director of the Office of Management and Budget and the Assistant to the President for Legislative Affairs, shall submit to the President proposed legislation for any reforms identified under this order that cannot lawfully be accomplished through executive action. The proposal shall include statutory language, implementation timelines, estimated federal fiscal effects, borrower impacts, anti-fraud safeguards, and options for a protected-income repayment structure.

Sec. 10. College Cost and Future Borrowing.

The Secretary of Education shall separately examine the drivers of tuition, fees, institutional pricing, program completion, borrowing levels, and educational return on investment so that reforms to existing debt do not encourage uncontrolled growth in future borrowing or educational costs. Recommendations shall identify measures available under existing authority and measures requiring Congress.

Sec. 11. Transparency and Accountability.

The Department of Education shall publish, consistent with privacy law, regular aggregate data concerning repayment status, delinquency, default, repayment-plan enrollment, discharge, borrower complaints, servicing performance, and portfolio outcomes sufficient for Congress and the public to evaluate the effectiveness of federal student-loan administration.

Sec. 12. General Provisions.

(a) Nothing in this order shall be construed to cancel, discharge, alter, or forgive federal student-loan principal except as expressly authorized by an Act of Congress.

(b) Nothing in this order shall be construed to create a repayment plan inconsistent with the Higher Education Act or other applicable law.

(c) Nothing in this order shall impair authority granted by law to an executive department or agency or the functions of the Director of the Office of Management and Budget.

(d) Implementation shall be consistent with applicable law and subject to the availability of appropriations.

(e) This order creates no right or benefit, substantive or procedural, enforceable at law or in equity against the United States, its agencies, officers, employees, or any other person.

THE PRESIDENT

THE WHITE HOUSE,
_____, 20__.

LEGAL DRAFTING NOTE
Current federal law establishes the Repayment Assistance Plan and other statutory repayment rules. This order therefore directs administrative review and use of existing delegated authority, while requiring proposed legislation for major changes that the executive branch cannot make unilaterally. It does not purport to create broad debt cancellation by executive order.

Authorities reviewed: Higher Education Act of 1965, including current federal repayment provisions; current Department of Education implementation materials for the Repayment Assistance Plan and Tiered Standard repayment plan; and Article II executive authority to supervise executive departments consistent with law.