

WSJ Print Edition

About 5.3 million borrowers received forgiveness under Biden.



IDAVID L. RYAN/ BOSTON GLOBE/ GETTY IMAGES Graduation can mean starting to think about paying back loans.

Path to Student Loan Forgiveness Narrows

BY OYIN ADEDOYIN

It is getting harder for Americans to free themselves of their student loans.

The Trump administration is revamping the federal student-loan program, pushing borrowers into plans that might require bigger monthly payments or take longer to be discharged. Those who do have their loans forgiven could now face a tax bill. The changes mark a turnaround from recent years, when the gates of student-loan forgiveness were flung open under the Biden administration.

Kymi Able-Brown, a 38-year-old physical therapist, is among the millions of borrowers who recently received an email from the Education Department saying she had to sign up for a new plan. The one she had been enrolled in didn't require her to make monthly payments, based on her income and other factors. That plan is now ending.

Using an online calculator, Able-Brown estimated that her monthly payments under the other plans could range from \$1,100 to \$1,400, depending on the option. She owes about \$200,000 in student loans.

"Between my children and my medical stuff, there's no way I can afford this," said Able-Brown, who has been diagnosed with cancer.

She said she has been trying to call her loan servicer, but is often left on hold for hours.

Under the Biden administration, the Education Department introduced policy after policy that eased monthly bills and helped free people from their debts. About 5.3 million borrowers received forgiveness during President Joe Biden's four-year term. Now the department is ending the most-generous repayment plan and has extinguished hopes for sweeping discharges of debt.

"We are very interested in how we can support borrowers in a variety of vehicles, but at the same time we need borrowers to understand that loan forgiveness is not coming," said Nicholas Kent, undersecretary of education, during an event hosted by the Brookings Institution in March. "Those days are gone."

One Biden-era option that is ending is the Saving on a Valuable Education plan, also known as SAVE, which fast-tracked forgiveness and capped payments depending on income.

Starting in July, the Education Department will be able to deny the public loan forgiveness status of previously qualifying employers who engage in activity the department considers illegal.

As SAVE ends, a new repayment plan called the Repayment Assistance Plan, or RAP, is being introduced. It requires borrowers to make regular minimum monthly payments of \$10 and to be paying back their loans for 30 years before being discharged, unless they are in public service. That compares with older plans that ask for 20 or 25 years of payments. Many of the new studentloan rules in the tax-and-spending law take effect July 1, 2026.

RAP has its upsides. Unpaid interest from borrowers' balances will be waived if their monthly minimum payments aren't high enough to cover it. The government will also offer a subsidy so principal balances decrease by at least \$50 a month.

Those changes could allow some borrowers to pay their loan balance faster, depending on their incomes, said Scott Buchanan, executive director of the Student Loan Servicing Alliance.

Under RAP, over 80% of borrowers starting to pay back loans would be debt-free in 15 years or less, according to the Education Department.

Jazzmine Rosales was notified this spring that she had 90 days to enroll in a new repayment plan for her student-loan balance, which has grown to around \$43,000 because of interest. Rosales, a single mother of three in San Antonio, earns \$29,000 a year working for a company that provides assistance to the deaf and hard of hearing. She had been enrolled in SAVE and qualified for \$0 monthly payments. When she looked into alternatives, she still qualified for \$0 monthly payments. But estimates for when she could expect student-loan forgiveness varied. Under one option, her balance would be forgiven by 2039, while others meant that would take until 2044. Rosales has to consider what her balance would be at those dates, in part because she might have an eventual tax bill to consider. For the first time in five years, student loans forgiven on or after Jan. 1, 2026, are taxable as federal income, with some exceptions.

Rosales has always banked on student-loan forgiveness. But recently, she has considered applying her tax refunds toward paying down her debt faster because of uncertainty over whether that will actually happen.

Copyright (c)2026 Dow Jones & Company, Inc. All Rights Reserved. 5/6/2026

Powered by TECNAVIA

The following is a digital replica of content from the print newspaper and is intended for the personal use of our members. For commercial reproduction or distribution of Dow Jones printed content, contact: Dow Jones Reprints & Licensing at (800) 843-0008 or visit djreprints.com.
