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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R.

To amend the Higher Education Act of 1965 to allow certain Federal student loans to be transferred from a parent to a child, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. FOSTER introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Higher Education Act of 1965 to allow certain Federal student loans to be transferred from a parent to a child, and for other purposes.

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 “Parent PLUS Loan
5 Fairness and Responsibility Act of 2026”.

1 **SEC. 2. TRANSFER OF FEDERAL STUDENT LOANS FROM**
2 **PARENT TO CHILD.**

3 Part G of title IV of the Higher Education Act of
4 1965 (20 U.S.C. 1088 et seq.) is amended by inserting
5 after section 493D the following:

6 **“SEC. 493E. TRANSFER OF FEDERAL STUDENT LOANS FROM**
7 **PARENT TO CHILD.**

8 “(a) IN GENERAL.—A covered parent loan may be
9 transferred from the original borrower of the loan to a
10 child of such borrower in accordance with this section.

11 “(b) TRANSFER REQUIREMENTS.—A covered parent
12 loan may be transferred to a child under subsection (a)
13 only if—

14 “(1) the loan is in good standing, as determined
15 by the Secretary;

16 “(2) the loan was used to pay the educational
17 expenses of the child to whom the loan is to be
18 transferred;

19 “(3) the child to whom the loan is to be trans-
20 ferred—

21 “(A) has attained the age of 18 years; and

22 “(B) demonstrates the ability to repay the
23 loan, as determined by the Secretary in accord-
24 ance with subsection (c);

25 “(4) the child, the parent, and the lender agree,
26 in writing, to the transfer of the loan;

1 “(5) the agreement described in paragraph (4)
2 notifies the child to whom the loan is transferred of
3 the effect of the transfer on the eligibility of the loan
4 for forgiveness under section 455(m); and

5 “(6) a period of 180 days has elapsed during
6 which the child was not pursuing—

7 “(A) at least a half-time course of study as
8 determined by an institution of higher edu-
9 cation; or

10 “(B) a course of study pursuant to a grad-
11 uate fellowship program approved by the Sec-
12 retary, or pursuant to a rehabilitation training
13 program for disabled individuals approved by
14 the Secretary.

15 “(c) DETERMINATION OF ABILITY TO REPAY
16 LOAN.—In determining the ability of a child to repay a
17 covered parent loan under subsection (b)(3)(B), the Sec-
18 retary shall consider the following:

19 “(1) The child’s employment status, income
20 level, and credit history.

21 “(2) The total dollar amount of the loans pro-
22 posed to be transferred to the child.

23 “(3) The debt-to-income ratio of the child be-
24 fore such transfer.

1 “(4) The projected debt-to-income ratio of the
2 child after such transfer.

3 “(5) Any other factors the Secretary determines
4 to be relevant to the ability of the child to repay the
5 loan.

6 “(d) TREATMENT OF TRANSFERRED LOAN.—

7 “(1) IN GENERAL.—A covered parent loan
8 transferred to a child under subsection (a) shall have
9 the same terms, conditions, and benefits applicable
10 to the loan before the date of such transfer except
11 that—

12 “(A) the child to whom the loan is trans-
13 ferred shall be treated as the original borrower
14 of the loan;

15 “(B) the parent who transferred the loan
16 to the child shall not be responsible for pay-
17 ing—

18 “(i) the outstanding balance of prin-
19 cipal or interest on the loan; or

20 “(ii) any other costs associated with
21 the loan, including fees; and

22 “(C) notwithstanding any other provision
23 of law, at the election of the child to whom the
24 loan is transferred such loan may be treated as
25 a Federal Direct PLUS Loan for purposes of

1 determining the eligibility of the loan for any
2 repayment plan under this title.

3 “(2) ORIGINATION DATE.—The origination date
4 of a covered parent loan transferred to a child under
5 subsection (a) shall be the date on which the loan
6 was originally made to the parent of such child and
7 such loan may not be treated as a new loan made
8 after the date of such transfer.

9 “(3) PSLF PAYMENTS.—

10 “(A) IN GENERAL.—Any qualifying PSLF
11 payment made on a covered parent loan before
12 the date of transfer to a child under subsection
13 (a) shall be treated as a qualifying PSLF pay-
14 ment made by the child for purposes of deter-
15 mining the child’s eligibility for public service
16 loan forgiveness under section 455(m).

17 “(B) QUALIFYING PSLF PAYMENT DE-
18 FINED.—In this paragraph, the term ‘qualifying
19 PSLF payment’ means a payment eligible to be
20 counted toward the 120 monthly payment
21 threshold described in section 455(m)(1).

22 “(e) EFFECT ON LOAN LIMITS.—Notwithstanding
23 any other provision of this Act, a covered parent loan
24 transferred to a child under subsection (a) shall not be

1 counted toward the child’s annual or aggregate maximum
2 loan limits under this title.

3 “(f) COVERED PARENT LOAN DEFINED.—In this
4 section, the term ‘covered parent loan’ means—

5 “(1) a loan made to a parent on behalf of a de-
6 pendent student under section 428B;

7 “(2) a Federal Direct PLUS Loan made to the
8 parent of a dependent student; or

9 “(3) a loan made under section 428C or
10 455(g), to the extent that such loan was used to
11 repay—

12 “(A) a loan made to the parent of a de-
13 pendent student under section 428B; or

14 “(B) a Federal Direct PLUS Loan made
15 to the parent of a dependent student.”.