



Clean Slate through Rehabilitation Act

To amend the Higher Education Act of 1965 to remove all adverse credit history related to a loan from the credit history of a borrower who has rehabilitated the loan.

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The Clean Slate Through Rehabilitation Act ensures that obtaining a student loan does not reflect poorly on one's credit history, and instead, once rehabilitation is complete, individuals should be able to buy a house, lease a car, or start a business without having a problem with their credit.

Endorsing Organizations: National Education Association (NEA), American Federation of Teachers (AFT), The Institute for College Access and Success (TICAS), and the National Association of Student Financial Aid Administrators (NASFAA), Center for Responsible Lending

Why does this matter?

As it is right now, there is only a removal of the credit history from the record, but the Clean Slate through Rehabilitation Act will remove any record pertaining to the student loan entirely. The account history stays on the record, which would include negative records like missed payments and delinquency, creating more difficulty in participating in our economy. People should not be punished for their efforts in paying off student debt.

By the numbers:

- **25 percent** of student loan borrowers have not been able to make their loan payments under this new Trump administration [1].
- Student loan debt has been **growing faster** than other sources of household debt.[2].
- The percentage of households with student debt **has more than doubled**, from **10 percent in 1992 to 21 percent in 2022**. [3].
- The National Credit Score average is **715**, which is a drop of 2 from 2024 [4].

[1]<https://protectborrowers.org/release-student-loan-delinquency-spikes-to-record-25-percent-under-trump-destroying-credit-scores-and-locking-millions-out-of-economy/>

[2]<https://www.newyorkfed.org/microeconomics/hhdc.html>

[3]<https://finance.yahoo.com/economy/articles/credit-scores-tick-down-borrowers-210254907.html>

[4]<https://www.federalreserve.gov/econres/scfindex.htm>

