

S 1220

Savings Opportunity and Affordable Repayment Act

Congress: 119 (2025–2027, Current)

Chamber: Senate

Policy Area: Education

Introduced: Apr 1, 2025

Current Status: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

Latest Action: Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (Apr 1, 2025)

Official Text: <https://www.congress.gov/bill/119th-congress/senate-bill/1220>

Sponsor

Name: Sen. Merkley, Jeff [D-OR]

Party: Democratic • **State:** OR • **Chamber:** Senate

Cosponsors (17 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Blumenthal, Richard [D-CT]	D · CT		Apr 1, 2025
Sen. Booker, Cory A. [D-NJ]	D · NJ		Apr 1, 2025
Sen. Gillibrand, Kirsten E. [D-NY]	D · NY		Apr 1, 2025
Sen. Hirono, Mazie K. [D-HI]	D · HI		Apr 1, 2025
Sen. Kaine, Tim [D-VA]	D · VA		Apr 1, 2025
Sen. Kim, Andy [D-NJ]	D · NJ		Apr 1, 2025
Sen. Markey, Edward J. [D-MA]	D · MA		Apr 1, 2025
Sen. Padilla, Alex [D-CA]	D · CA		Apr 1, 2025
Sen. Sanders, Bernard [I-VT]	I · VT		Apr 1, 2025
Sen. Schumer, Charles E. [D-NY]	D · NY		Apr 1, 2025
Sen. Smith, Tina [D-MN]	D · MN		Apr 1, 2025
Sen. Warren, Elizabeth [D-MA]	D · MA		Apr 1, 2025
Sen. Welch, Peter [D-VT]	D · VT		Apr 1, 2025
Sen. Wyden, Ron [D-OR]	D · OR		Apr 1, 2025
Sen. Van Hollen, Chris [D-MD]	D · MD		Jun 18, 2025
Sen. Luján, Ben Ray [D-NM]	D · NM		Oct 29, 2025
Sen. Duckworth, Tammy [D-IL]	D · IL		Nov 6, 2025

Committee Activity

Committee	Chamber	Activity	Date
Health, Education, Labor, and Pensions Committee	Senate	Referred To	Apr 1, 2025

Subjects & Policy Tags

Policy Area:

Education

Related Bills

No related bills are listed.

Summary (as of Apr 1, 2025)

Savings Opportunity and Affordable Repayment Act

This bill creates a new income-driven repayment plan for student loans called the Savings Opportunity and Affordable Repayment (SOAR) plan. The SOAR plan has similar provisions to, but further expands on, the Department of Education's (ED's) final rule published on July 10, 2023, that created the Saving on a Valuable Education (SAVE) plan. The SAVE plan was blocked by federal courts.

The bill directs ED to carry out a SOAR plan program that complies with specified requirements. The bill allows all federal student loan types to be eligible for repayment under the SOAR plan, including Parent PLUS Loans and Federal Family Education Loans.

Under the SOAR plan, a federal student loan borrower whose income is at or below 250% of the federal poverty level (FPL) has \$0 monthly payments. A borrower whose income is over 250% of the FPL pays 5% of their discretionary income on loans obtained for undergraduate study and 10% of their discretionary income for all other outstanding loans (e.g., loans obtained for graduate study).

Additionally, under the SOAR plan, holders of eligible federal student loans (e.g., ED or private lenders) must apply 50% of the borrower's monthly payment toward outstanding principal. The other 50% must be applied in the following order: (1) accrued charges and collection costs on the loan, (2) outstanding interest, and (3) outstanding principal.

ED must forgive any loan balance that remains outstanding after a specified maximum repayment period (e.g., 10 years or 15 years).

