Student Loan Deduction Act of 2025

Introduced in the Senate by: Senators Peter Welch (D-Vt.); Alex Padilla (D-Calif.); Jeanne Shaheen (D-N.H.); Richard Blumenthal (D-Conn.); Ron Wyden (D-Ore.); Tammy Duckworth (D-Ill.); Kirsten Gillibrand (D-N.Y.); Bernie Sanders (I-Vt.); Cory Booker (D-N.J.)

Background:

The Supplemental Nutrition Assistance Program (SNAP)—known as 3Squares in Vermont—is designed to help low-income households afford a nutritionally-adequate and low-cost diet. Income eligibility requirements for SNAP must accurately capture the financial hardships facing low-income households. Allowable deductions, such as those for dependent care, child support, and medical expenses, help account for financial stresses that could impact a household's eligibility for SNAP benefits. However, some modern financial burdens, such as student loan debt, cannot be deducted.

According to the Education Data Initiative, 42.5 million U.S. borrowers have federal student loan debt, averaging $38,375 per borrower, while the average monthly student loan payment is an estimated $536. As student loan payments are not considered when determining eligibility for SNAP, families and individuals struggling to repay student loans could lose vital SNAP benefits.

Legislation:

The *Student Loan Deduction Act of 2025* would allow SNAP households to deduct monthly payments made on federal and private student loans from their income when calculating eligibility for SNAP benefits.

By permitting a deduction for these payments, the legislation aims to provide a more accurate representation of a household's available income. Furthermore, this approach aligns with existing practices within SNAP, where various deductions such as housing and childcare expenses are already considered in the determination process.

Endorsing Organizations:

The *Student Loan Deduction Act of 2025* is endorsed by the Food Research & Action Center (FRAC); Hunger Free Vermont; and MAZON: A Jewish Response to Hunger.