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enabling the nation to avoid a debt default and economic turmoil.

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By Erin B. Logan – Los Angeles Times (via TNS).

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Here's what is in the deal:

A two-year deal, non-defense spending remains (mostly) flat

In exchange for temporary fiscal changes, McCarthy agreed to extend increasing the debt ceiling by two years, allowing the government to keep borrowing above its existing \$31.4 trillion in debt. The extension ensures Biden will not have to face this battle again until after the next presidential election. The deal also keeps non-defense spending levels “roughly flat with the 2023 levels in 2024,” a White House official said. By 2025, these spending levels and defense spending levels will increase by 1%.

COVID-19 relief funds

The deal claws back \$30 billion in unused funds from emergency COVID-19 relief packages. The Biden administration is able to keep \$5 billion to fund housing assistance and COVID-19 treatments and vaccines for uninsured Americans, according to a White House source.

Cuts to IRS funding

Democrats last year infused \$80 billion in the Internal Revenue Service through the Inflation Reduction Act, enabling the service to substantially modernize its operations and become more aggressive in its tax collection on large corporations and wealthy Americans. Democrats hailed the funding boost as a way to help pay for Biden's signature agenda to reduce the cost of prescription drugs and invest in clean energy.

Republicans had balked at a funding boost for the service, claiming, without proof, that middle income Americans could see an uptick in auditing.

McCarthy successfully clawed back \$20 billion of this money gradually, repurposing

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No more student loan payment extensions

Although the deal did not gut Biden's \$400 billion [student loan cancellation](#), it forbids his administration from unilaterally suspending student loan payments after the end of August.

Federal borrowers have not had to pay down their student loans since then-President Donald Trump suspended payments in March 2020, amid the economic fallout brought on by the COVID-19 pandemic.

Biden has repeatedly extended this suspension and last August, announced the limited cancellation program. This executive order quickly faced legal challenges, notably from the right.

One of the challenges in February reached the U.S. Supreme Court and conservative justices during oral arguments [cast doubt](#) on the legality of Biden's plan. A ruling on Biden's program is expected sometime this summer.

SNAP work requirements

The bill will gradually phase in temporary work requirements for adults up to age 54, according to a White House official. The current law requires adults up to age 49 to meet the work requirements.

Homeless Americans, veterans and adults formerly in foster programs (up to age 24) will be exempt from these changes. The updates to the low-income food assistance program will end in 2030, at which time Congress can keep or adjust the changes.

(L.A. Times writer Noah Bierman contributed to this report.)

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