

# Congress of the United States

Washington, DC 20515

August 23, 2023

President Joseph R. Biden  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear President Biden:

We are extremely disappointed and concerned that the Supreme Court substituted politics for the rule of law to deny as many as 43 million hard working Americans life-changing relief from crushing student loan debt.<sup>1</sup> In the wake of this outrageous decision, we appreciate your announcement initiating a rulemaking under the *Higher Education Act of 1965* to deliver on debt relief<sup>2</sup> and write to urge you to swiftly carry out your commitment to working and middle class families, and cancel student debt by early 2024.<sup>3</sup>

Last year, you made the historic decision to cancel up to \$20,000 in student debt for working Americans.<sup>4</sup> Your plan would have provided targeted relief to families across the country, with nearly 90 percent of relief dollars going to borrowers earning less than \$75,000 a year.<sup>5</sup> An estimated 20 million people would have seen their student debt balances eliminated entirely, including nearly half of all Latino borrowers and one out of four Black borrowers.<sup>6</sup>

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<sup>1</sup> Biden v. Nebraska, 600 U.S. \_\_\_\_ (2023); The White House, “FACT SHEET: President Biden Announces Student Loan Relief for Borrowers Who Need It Most,” press release, August 24, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/24/fact-sheet-president-biden-announces-student-loan-relief-for-borrowers-who-need-it-most/>.

<sup>2</sup> The White House, “FACT SHEET: President Biden Announces New Actions to Provide Debt Relief and Support for Student Loan Borrowers,” press release, June 30, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/06/30/fact-sheet-president-biden-announces-new-actions-to-provide-debt-relief-and-support-for-student-loan-borrowers/>.

<sup>3</sup> The White House, “Remarks by President Biden on Student Debt Relief,” November 3, 2022, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/11/03/remarks-by-president-biden-on-student-debt-relief/>; The White House, “Remarks by President Biden Announcing Student Loan Debt Relief Plan,” August 25, 2022, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/08/25/remarks-by-president-biden-announcing-student-loan-debt-relief-plan/>.

<sup>4</sup> The White House, “FACT SHEET: President Biden Announces Student Loan Relief for Borrowers Who Need It Most,” press release, press release, August 24, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/24/fact-sheet-president-biden-announces-student-loan-relief-for-borrowers-who-need-it-most/>.

<sup>5</sup> *Id.*

<sup>6</sup> The White House, “Background Press Call by Senior Administration Officials on Student Loan Relief,” August 24, 2022, <https://www.whitehouse.gov/briefing-room/press-briefings/2022/08/24/background-press-call-by-senior-administration-officials-on-student-loan-relief/>; The White House, “By The Numbers: Millions of Americans’ Student Loan Costs Will Rise Dramatically Under Republican Officials’ Plans,” November 3, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/11/03/by-the-numbers-millions-of-americans-student-loan-costs-will-rise-dramatically-under-republican-officials-plans/>.

Providing student debt relief would not only provide breathing room for families still recovering from the COVID-19 pandemic,<sup>7</sup> it would allow families to start a business,<sup>8</sup> buy a home,<sup>9</sup> or save for retirement.<sup>10</sup>

We are facing a student loan crisis that impacts generations of borrowers who collectively hold more than \$1.6 trillion in student loan debt.<sup>11</sup> The burden of student debt is ever-present among vulnerable communities. Nearly one-third of Americans who hold student debt have no degree or credential.<sup>12</sup> Roughly 16 percent of borrowers – including almost one-third of senior citizens holding student debt – are in default, with disastrous consequences for their credit and financial health, including the garnishment of wages and government benefits.<sup>13</sup> In fact, nearly three million people over the age of 62 owed more than \$110 billion in federal student loans, putting seniors at risk of having their Social Security benefits garnished.<sup>14</sup> More than a third of borrowers eligible for student debt cancellation under your plan are age 40 or older.<sup>15</sup>

In your August 2022 announcement to provide student debt relief, you recognized the role that providing relief would have had in narrowing the racial wealth gap.<sup>16</sup> If enacted, it was estimated that almost half of Latino borrowers would have had their entire debt balance forgiven.<sup>17</sup> In addition, Black families are more likely to borrow to go to school, take on higher

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<sup>7</sup> Federal Reserve Bank of New York *Liberty Street Economics*, “What Might Happen When Student Loan Forbearance Ends?,” Rajashri Chakrabarti, Jessica Lu, Wilbert van der Klaauw, April 21, 2022, <https://libertystreeteconomics.newyorkfed.org/2022/04/what-might-happen-when-student-loan-forbearance-ends/>.

<sup>8</sup> Federal Reserve Bank Philadelphia, “The Impact of Student Loan Debt on Small Business Formation,” Brent W. Ambrose, Larry Cordell, and Shuwei Ma, July 2015, <https://www.philadelphiafed.org/the-economy/the-impact-of-student-loan-debt-on-small-business-formation>.

<sup>9</sup> Journal of Labor Economics, “Student Loans and Homeownership,” Alvaro Mezza, Daniel Ringo, Shane Sherlund, Kamila Sommer, January 2020, <https://www.journals.uchicago.edu/doi/full/10.1086/704609?af=R>.

<sup>10</sup> Office of U.S. Senator Elizabeth Warren, “Hanging in the Balance Millions at Risk if the Supreme Court Denies Student Debt Cancellation,” February 2023, pp.3, 10-12, <https://www.warren.senate.gov/imo/media/doc/Student%20Debt%20Cancellation%20Report%20Feb%202023.pdf>; Center for Retirement Research at Boston College, “How Does Student Debt Affect Early-Career Retirement Saving?,” September 15, 2016, <https://crr.bc.edu/how-does-student-debt-affect-early-career-retirement-saving/>.

<sup>11</sup> U.S. Department of Education, “Federal Student Aid Portfolio Summary,” Federal Student Aid, <https://studentaid.gov/data-center/student/portfolio>.

<sup>12</sup> The White House, “FACT SHEET: President Biden Announces Student Loan Relief for Borrowers Who Need It Most,” press release, August 24, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/24/fact-sheet-president-biden-announces-student-loan-relief-for-borrowers-who-need-it-most/>.

<sup>13</sup> FACT SHEET: President Biden Announces Student Loan Relief for Borrowers Who Need It Most,” press release, August 24, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/24/fact-sheet-president-biden-announces-student-loan-relief-for-borrowers-who-need-it-most/>.

<sup>14</sup> Federal Student Aid, “Federal Student Loan Portfolio,” <https://studentaid.gov/data-center/student/portfolio>; CNBC, “Falling behind on student loans can reduce Social Security benefits by \$2,500 a year,” Lorie Konish, January 5, 2023, <https://www.cnbc.com/2023/01/05/delinquent-student-loans-can-reduce-social-security-by-2500-a-year.html>.

<sup>15</sup> The White House, “FACT SHEET: President Biden Announces Student Loan Relief for Borrowers Who Need It Most,” press release, August 24, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/24/fact-sheet-president-biden-announces-student-loan-relief-for-borrowers-who-need-it-most/>.

<sup>16</sup> *Id.*

levels of debt, and disproportionately struggle with repayment compared to their white peers.<sup>18</sup> Further, Black and Latino borrowers are also more likely than their white peers to default on their loans.<sup>19</sup>

We recognize that the *Fiscal Responsibility Act of 2023* codifies the termination of the suspension on loan payments, interest, and collections related to the COVID-19 pandemic on August 30, 2023.<sup>20</sup> Accordingly, after more than three and a half years, the interest on student loans will resume on September 1, 2023 and payments will restart by October.<sup>21</sup> Recent findings from the Consumer Financial Protection Bureau, however, indicate that one in five borrowers are at risk of facing difficulties when payments resume.<sup>22</sup> While we understand your administration’s efforts in providing a 12-month “on-ramp” starting on October 1, 2023 to protect borrowers during the transition to repayment,<sup>23</sup> we remain gravely concerned about the Department of Education’s projections that without additional relief, student debt delinquencies and defaults will spike once repayment resumes.<sup>24</sup> The Department of Education should work to ensure that implementation of the final rule to provide debt relief does not happen after the 12-month on ramp ends in effort to further reduce the risk of delinquency and default.

You have always stood by working and middle class families. Since the beginning of your administration, you’ve demonstrated this commitment through the \$116.6 billion in student loans you have forgiven for more than 3.4 million borrowers.<sup>25</sup> Although the Supreme Court has chosen to stand in the way of your initial student debt relief plan, we recognize that as President of the United States, you have additional tools to provide relief.<sup>26</sup> Working and middle class

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<sup>17</sup> The White House, “By The Numbers: Millions of Americans’ Student Loan Costs Will Rise Dramatically Under Republican Officials’ Plans,” press release, November 3, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/11/03/by-the-numbers-millions-of-americans-student-loan-costs-will-rise-dramatically-under-republican-officials-plans/>.

<sup>18</sup> The Brookings Institution, “A regressive student loan system results in costly racial disparities,” Louise Seamster and Alan Aja, January, 24, 2022, <https://www.brookings.edu/blog/how-we-rise/2022/01/24/a-regressive-student-loan-system-results-in-costly-racial-disparities/>.

<sup>19</sup> The Brookings Institution, “Black-white disparity in student loan debt more than triples after graduation,” Judith Scott-Clayton and Jing Li, October 20, 2016, <https://www.brookings.edu/articles/black-white-disparity-in-student-loan-debt-more-than-triples-after-graduation/>; UnidosUS, “Latinos in Higher Education: Student Loan Repayment, March 2019, [https://www.unidosus.org/wp-content/uploads/2021/07/studentloanrepayment\\_brief\\_32519.pdf](https://www.unidosus.org/wp-content/uploads/2021/07/studentloanrepayment_brief_32519.pdf).

<sup>20</sup> Fiscal Responsibility Act of 2023, H.R.3746, <https://www.congress.gov/bill/118th-congress/house-bill/3746>.

<sup>21</sup> Fiscal Responsibility Act of 2023, H.R.3746, <https://www.congress.gov/bill/118th-congress/house-bill/3746>.

<sup>22</sup> Consumer Financial Protection Bureau, “Office of Research blog: Update on student loan borrowers as payment suspension set to expire,” Thomas Conkling and Christa Gibbs, June 7, 2023, <https://www.consumerfinance.gov/about-us/blog/office-of-research-blog-update-on-student-loan-borrowers-as-payment-suspension-set-to-expire/>.

<sup>23</sup> The White House, “FACT SHEET: President Biden Announces New Actions to Provide Debt Relief and Support for Student Loan Borrowers,” press release, June 30, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/06/30/fact-sheet-president-biden-announces-new-actions-to-provide-debt-relief-and-support-for-student-loan-borrowers/>.

<sup>24</sup> State of Nebraska v. Biden (8th Circuit, 2023), Exhibit 1, p. 8, <https://www.courtlistener.com/docket/65385675/27/1/state-of-nebraska-v-biden/>.

<sup>25</sup> U.S. Department of Education, “Biden-Harris Administration to Provide 804,000 Borrowers with \$39 Billion in Automatic Loan Forgiveness as a Result of Fixes to Income Drive Repayment Plans,” press release, July 14, 2023, <https://www.ed.gov/news/press-releases/biden-harris-administration-provide-804000-borrowers-39-billion-automatic-loan-forgiveness-result-fixes-income-driven-repayment-plans>

<sup>26</sup> The White House, “Statement from President Joe Biden on Supreme Court Decision on Student Loan Debt Relief,” press release, June 30, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/06/30/>

families need this relief to come as soon as possible. We urge you to continually find ways to use your authority to bring down student debt, address the rising cost of college, and make postsecondary education affordable for all students who choose that path. Borrowers have already waited nearly a year for the relief you announced in August 2022,<sup>27</sup> and critics of your plan to help 43 million Americans are likely to renew their attacks with regard to your rulemaking announcement. We urge you to reject their bad-faith, partisan attempts to delay relief and carry out your efforts to help borrowers as quickly as possible.

Sincerely,



Elizabeth Warren  
United States Senator



Charles E. Schumer  
United States Senator



Alex Padilla  
United States Senator



Raphael Warnock  
United States Senator



Ayanna Pressley  
Member of Congress



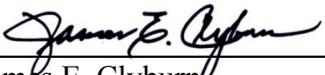
Ilhan Omar  
Member of Congress

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[statement-from-president-joe-biden-on-supreme-court-decision-on-student-loan-debt-relief/](#).

<sup>27</sup> The White House, “FACT SHEET: President Biden Announces Student Loan Relief for Borrowers Who Need It Most,” press release, August 24, 2022,

<https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/24/fact-sheet-president-biden-announces-student-loan-relief-for-borrowers-who-need-it-most/>.

  
James E. Clyburn  
Member of Congress

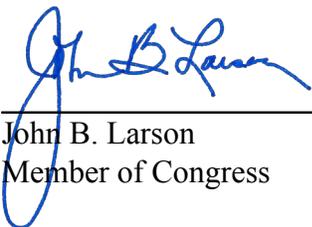
  
Frederica S. Wilson  
Member of Congress  
Ranking Member,  
Subcommittee on Higher  
Education and Workforce  
Development

  
Eleanor Holmes Norton  
Member of Congress

  
Katie Porter  
Member of Congress

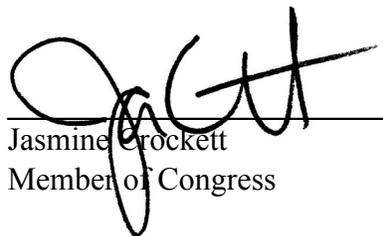
  
Veronica Escobar  
Member of Congress

  
James P. McGovern  
Member of Congress

  
John B. Larson  
Member of Congress

  
Jan Schakowsky  
Member of Congress

  
Mazie K. Hirono  
United States Senator

  
Jasmine Crockett  
Member of Congress



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Henry C. "Hank" Johnson, Jr.  
Member of Congress



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MARK TAKANO  
Member of Congress



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André Carson  
Member of Congress



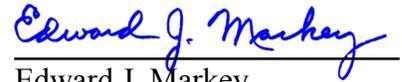
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Nikema Williams  
Member of Congress



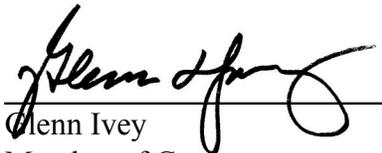
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Robert Menendez  
United States Senator



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Edward J. Markey  
United States Senator



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Glenn Ivey  
Member of Congress



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Dwight Evans  
Member of Congress



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Ro Khanna  
Member of Congress



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Kathy Castor  
Member of Congress



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Pramila Jayapal  
Member of Congress



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Bernard Sanders  
United States Senator



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Yvette D. Clarke  
Member of Congress



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Nydia M. Velázquez  
Member of Congress



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Jim Tokuda  
Member of Congress



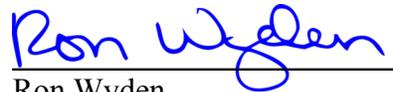
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Barbara Lee  
Member of Congress



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Dan Goldman  
Member of Congress



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Ron Wyden  
United States Senator



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Delia C. Ramirez  
Member of Congress



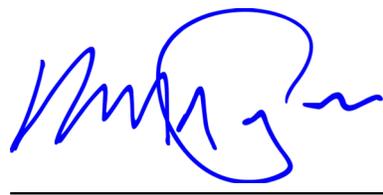
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Richard Blumenthal  
United States Senator

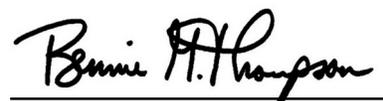
  
Jimmy Gomez  
Member of Congress

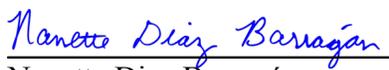
  
Jeffrey A. Merkley  
United States Senator

  
Jesús G. "Chuy" García  
Member of Congress

  
Mark Pocan  
Member of Congress

  
Cory A. Booker  
United States Senator

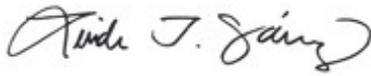
  
Bennie G. Thompson  
Member of Congress

  
Nanette Diaz Barragán  
Member of Congress

  
Salud Carbajal  
Member of Congress

  
Alexandria Ocasio-Cortez  
Member of Congress

  
Grace F. Napolitano  
Member of Congress



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Linda T. Sánchez  
Member of Congress



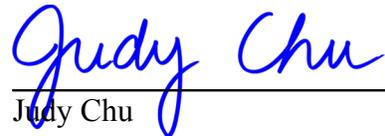
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Grace Meng  
Member of Congress



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Val Hoyle  
Member of Congress



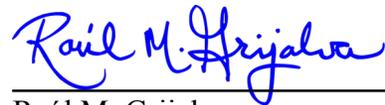
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Judy Chu  
Member of Congress



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Adriano Espaillat  
Member of Congress



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Raúl M. Grijalva  
Member of Congress



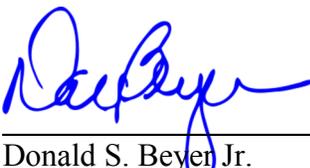
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Danny K. Davis  
Member of Congress



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Betty McCollum  
Member of Congress



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Donald S. Beyer Jr.  
Member of Congress



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Frank Pallone, Jr.  
Member of Congress



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Sheldon Whitehouse  
United States Senator



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Alma S. Adams, Ph.D.  
Member of Congress



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Madeleine Dean  
Member of Congress



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Adam B. Schiff  
Member of Congress



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David J. Trone  
Member of Congress



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Maxwell Alejandro Frost  
Member of Congress



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Ted W. Lieu  
Member of Congress



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Tony Cárdenas  
Member of Congress



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Jamaal Bowman, Ed.D.  
Member of Congress



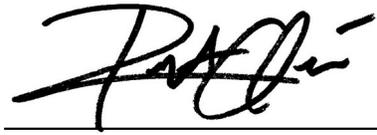
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Tammy Duckworth  
United States Senator



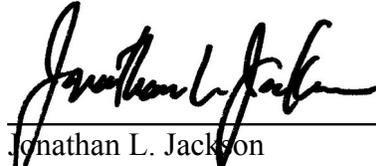
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Cori Bush  
Member of Congress



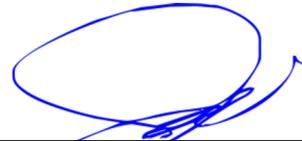
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Robert Garcia  
Member of Congress



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Jonathan L. Jackson  
Member of Congress



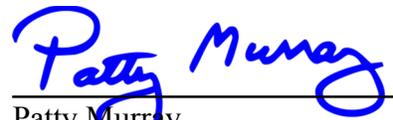
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John Fetterman  
United States Senator



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Greg Casar  
Member of Congress



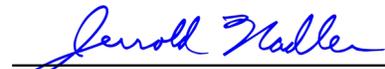
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Patty Murray  
United States Senator



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Peter Welch  
United States Senator



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Jerrold Nadler  
Member of Congress



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Becca Balint  
Member of Congress



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Troy Carter  
Member of Congress



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Bonnie Watson Coleman  
Member of Congress



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Rashida Tlaib  
Member of Congress



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Terri A. Sewell  
Member of Congress



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Mark DeSaulnier  
Member of Congress



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Chellie Pingree  
Member of Congress



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Sheila Jackson Lee  
Member of Congress



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Sydney Kamlager-Dove  
Member of Congress



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Juan Vargas  
Member of Congress



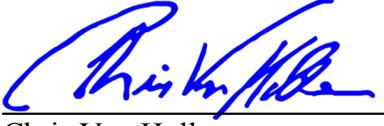
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Brendan F. Boyle  
Member of Congress



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Paul Tonko  
Member of Congress



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Chris Van Hollen  
United States Senator