June 23, 2021

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

Dear President Biden:

We are writing to urge you to act swiftly to extend the current pause on payments and interest for federally-held student loans. The United States faces a historic student debt crisis, with many of the nearly 43 million Americans with student loans being crushed under almost $1.6 trillion in debt.\(^1\) Even before the coronavirus disease 2019 (COVID-19) pandemic, roughly one million borrowers were defaulting on their student loans every year.\(^2\)

The suspension of payments and interest during the pandemic has provided essential relief to borrowers and their families during this economic and public health crisis. Restarting payments, however, will present a significant challenge for borrowers, loan servicers, and the Department of Education (ED), and we urge you not to let the payment pause lapse when borrowers are still depending on this financial relief. We urge you to act quickly to extend the current pause on payments and interest so that borrowers are not penalized and student debt payments do not drag down the pace of our economic recovery. Specifically, we ask that you extend the pause by at least six months—until March 31, 2022—or until the economy reaches pre-pandemic employment levels, whichever is longer.

Borrowers have reaped significant benefits from the ongoing payment pause, taking the opportunity to pay down other debt, relieve financial pressures from lost jobs or decreased earnings, and support their families’ needs.\(^3\) To date, the ED has provided approximately $72 billion in relief on student loan interest alone – money that has been reinvested into the economy.\(^4\) The pandemic has wreaked havoc on our economy and caused prolonged unemployment for many households.\(^5\) While the economic recovery is in progress, additional financial support is needed by students and families throughout the summer, when eviction and


\(^4\) Id; $4.8 billion per month for 15 months (since March 2020) equals $72 billion in waived interest.

foreclosure moratoriums may lapse, and beyond September, when the extended unemployment benefits from the American Rescue Plan are set to expire.

Even as the economic recovery picks up steam, it is not reaching all Americans equally. Women and people of color have been disproportionately harmed by the pandemic, which some experts have deemed “the most unequal recession in modern U.S. history,” and they have recovered at a slower rate. The same groups make up a disproportionate share of student borrowers. Black students, in particular, borrow more to attend college, borrow more often while they are in school, and have a harder time paying their debt off than their white peers. The median Black borrower still owes 95% of their debt twenty years after starting college, compared to only 6% for the median white borrower. Communities of color and Native communities have also had higher rates of illness and death from COVID-19, and higher unemployment rates throughout the pandemic at every age and education level.

Women hold nearly two-thirds of the nation’s student debt, in part because they need higher levels of educational credentials to earn the same compensation as men. They were also more likely to lose their jobs or leave the workforce in 2020 than men, due to a combination of factors: women-dominated industries like health care and hospitality saw more job losses, and

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school and child care closures forced many women to leave the workforce in order to care for their families. On the other side of the crisis, women also make up disproportionate shares of essential workers, especially in health care, where more than three-quarters of workers are women. One analysis found that health care and social assistance workers had the highest student debt burden of any industry, with an average payment of $685 per month.

The scheduled resumption of student loan payments in October could create a significant drag on our economic recovery. Before the pandemic, the average student loan payment was between $200 and $299 per month—a substantial part of a household budget, and money that is desperately needed for basic needs. While our federal student aid system offers several income-based repayment plans that allow struggling borrowers to lower their monthly payments, the enrollment process for these options is complex and lengthy, and student loan servicers are concerned that they will be overwhelmed by the number of borrowers who will need to navigate this process in a short period of time after a significant length of time in which they had little to no contact with borrowers. Following past emergency suspensions of student loans during natural disasters, an increased number of borrowers became delinquent or defaulted on their loans. A wave of student loan defaults would cause long-term damage to borrowers’ credit and financial stability and could put a sudden and unnecessary drag on the recovering economy.

This decision cannot be delayed. Borrowers, ED, and loan servicers will need time to prepare for any changes to the current situation, including the scheduled resumption of payments and interest. Under the previous Administration, there was little accountability for loan servicers to sufficiently support borrowers and prepare them to reenter repayment. The Administration is still in the process of improving the student loan repayment system and raising expectations for customer service and borrower outreach. We believe that resuming payments before this system is in place could harm vulnerable student borrowers who are unprepared for relief to end. For

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19 Office of Federal Student Aid, “If your federal student loan payments are high compared to your income, you may want to repay your loans under an income-driven repayment plan,” https://studentaid.gov/manage-loans/repayment/plans/income-driven.
these reasons, we encourage you to use your authority to provide immediate relief to borrowers by extending the pause on payments and interest by at least six months or until pre-pandemic levels of employment are reached.

Finally, we also understand that you are in the process of reviewing your legal and policy options for executive action related to student debt cancellation and are in the progress of making improvements to student loan relief programs, such as Public Service Loan Forgiveness, borrower defense, closed school discharge, and Total and Permanent Disability discharge through upcoming negotiated rulemaking. \(^{22}\) We encourage you to complete as many of these processes and reviews as possible before any federally-held student loan payments resume. However, given the fast-approaching deadline for borrowers to resume payments, it is critical that the Administration act as quickly as possible to extend the pause on payments and interest.

Thank you for your attention to this important matter.

Sincerely,

Elizabeth Warren  
United States Senator

Charles E. Schumer  
United States Senator

Ayanna Pressley  
Member of Congress

Joe Courtney  
Member of Congress

Edward J. Markey  
United States Senator

Sherrod Brown  
United States Senator

Ron Wyden  
United States Senator

Robert Menendez  
United States Senator

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\(^{22}\) CNBC, “Biden asks Education secretary to see if he can legally cancel student debt,” Annie Nova, April 1, 2021, https://www.cnbc.com/2021/04/01/biden-administration-explores-options-for-canceling-student-debt.html.
/s/ Richard Durbin
United States Senator

/s/ Bernard Sanders
United States Senator

/s/ Chris Van Hollen
United States Senator

/s/ Cory A. Booker
United States Senator

/s/ Alex Padilla
United States Senator

/s/ Mazie K. Hirono
United States Senator

/s/ Jeffrey A. Merkley
United States Senator

/s/ Tina Smith
United States Senator

/s/ Tammy Duckworth
United States Senator

/s/ Richard Blumenthal
United States Senator

/s/ Sheldon Whitehouse
United States Senator

/s/ Brian Schatz
United States Senator

/s/ Jack Reed
United States Senator

/s/ Patrick Leahy
United States Senator

/s/ Kyrsten Sinema
United States Senator

/s/ Joaquin Castro
Member of Congress

/s/ Brendan F. Boyle
Member of Congress

/s/ Jimmy Panetta
Member of Congress

/s/ Jamie Raskin
Member of Congress

/s/ Henry C. “Hank” Johnson
Member of Congress

/s/ Gwen Moore
Member of Congress

/s/ Jahana Hayes
Member of Congress
/s/ Jesús G. “Chuy” García
Member of Congress

/s/ Alma S. Adams, PhD
Member of Congress

/s/ Katie Porter
Member of Congress

/s/ Mondaire Jones
Member of Congress

/s/ Mark Takano
Member of Congress

/s/ Bobby L. Rush
Member of Congress

/s/ Eleanor Holmes Norton
Member of Congress

/s/ Barbara Lee
Member of Congress

/s/ Earl Blumenauer
Member of Congress

/s/ Mike Doyle
Member of Congress

/s/ David N. Cicilline
Member of Congress

/s/ Bennie Thompson
Member of Congress

/s/ Gerald E. Connolly
Member of Congress

/s/ Dwight Evans
Member of Congress

/s/ Jared Huffman
Member of Congress

/s/ James P. McGovern
Member of Congress

/s/ Mark Pocan
Member of Congress

/s/ Tony Cárdenas
Member of Congress

/s/ Andre’ Carson
Member of Congress

/s/ Suzanne Bonamici
Member of Congress

/s/ Alan Lowenthal
Member of Congress

/s/ John B. Larson
Member of Congress
Jim Himes
Member of Congress

Rosa L. DeLauro
Member of Congress

Jerry McNerney
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Pramila Jayapal
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Peter A. DeFazio
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Ritchie Torres
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Raúl M. Grijalva
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Albio Sires
Member of Congress

Ruben Gallego
Member of Congress

Ilhan Omar
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Mary Gay Scanlon
Member of Congress

Grace Meng
Member of Congress