



Written by [David Kelly](#) on July 17, 2023

Biden Announces \$39 Billion in Student Loan Forgiveness

The Biden administration [announced](#) Friday they will automatically discharge \$39 billion in Federal student loans for 804,000 borrowers in the coming weeks as the Department of Education (DOE) implements fixes to address “historical failures” in the loan program.

According to the DOE press release, the fixes implemented by the administration will ensure all borrowers have an accurate count of the number of monthly payments that qualify toward forgiveness under income-driven repayment (IDR) plans. Eligible borrowers will receive the student loan debt forgiveness if “they have accumulated the equivalent of either 20 or 25 years of qualifying months.”



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Secretary of Education Miguel Cardona declared:

For far too long, borrowers fell through the cracks of a broken system that failed to keep accurate track of their progress towards forgiveness. Today, the Biden-Harris Administration is taking another historic step to right these wrongs and announcing \$39 billion in debt relief for another 804,000 borrowers. By fixing past administrative failures, we are ensuring everyone gets the forgiveness they deserve, just as we have done for public servants, students who were cheated by their colleges, and borrowers with permanent disabilities, including veterans. This Administration will not stop fighting to level the playing field in higher education.

The announced debt cancellation is part of the Biden administration’s implementation of the [payment count](#) adjustment announced in April 2022, and follows last month’s Supreme Court [decision](#) to reject Biden’s unconstitutional student loan debt [forgiveness plan](#) that would have totaled over \$400 billion.

Following the Court’s rejection, the White House [announced](#) in June that the administration was taking steps “aimed at providing debt relief for as many borrowers as possible, as fast as possible, and supporting student loan borrowers....” That included the DOE initiating a rule-making process aimed at opening an alternative path to debt relief and offering the “most affordable repayment plan ever created, ensuring that borrowers will be able to take advantage of this plan this summer—before loan payments are due.” Apparently, that plan led to Friday’s offering of debt cancellation at the expense of taxpayers.

Biden exposed his skewed vision of the debt forgiveness in a [statement](#) riddled with political rhetoric sharing:

I have long said that college should be a ticket to the middle class – not a burden that



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weighs down on families for decades.

Republican lawmakers – who had no problem with the government forgiving millions of dollars of their own business loans – have tried everything they can to stop me from providing relief to hardworking Americans. Some are even objecting to the actions we announced today, which follows through on relief borrowers were promised, but never given, even when they had been making payments for decades. The hypocrisy is stunning, and the disregard for working and middle-class families is outrageous.

But the truth here is that Biden is using the debt forgiveness to bolster his odds of winning his reelection bid next year.

The Washington Times [reported](#):

“The Biden administration’s blatantly political attempt to circumvent the Supreme Court is shameful,” said a statement by Rep. Virginia Foxx, North Carolina Republican and chair of the House Education and the Workforce Committee. “The Biden administration is trampling the rule of law, hurting borrowers, and abusing taxpayers to chase headlines. This president is dead set on ruining our postsecondary education financing system for a few votes next November, taxpayers and the rule of law be damned.”

Senator Rick Scott (R-Fla.) said, “The Congressional Budget Office estimated Friday that it would take \$154 billion to shore up Social Security this year and Mr. Biden instead is devoting his attention to costly student loan forgiveness.”

And, adding to the obvious political divide, Congresswoman Ayanna Pressley (D-Mass.) chimed in. Per the *Times*:

“There is a great panic, financial panic for borrowers. Not only is this relief deeply needed and long overdue, it is very popular. It was a motivating issue in the midterms. I’m calling on President Biden to deliver the relief to the coalition that delivered them to the White House.”

She said the Supreme Court’s ruling “is not in keeping with the will of the majority of the people. They continue to make history for all the wrong reasons. They are legislating from the bench.”

The bottom line here is that taxpayers should not be on the hook for any debts incurred by students who willingly agreed to the terms of their contracts, and the administration’s ongoing political battle over federal student loan debt highlights the fact that the federal government should not be in the business of education. The DOE needs to be defunded and sunset — along with all government education funding and the Marxist agenda it propagates.



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