

Congress of the United States
Washington, DC 20510

May 17, 2024

The Honorable Miguel Cardona
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202

Docket ID ED-2023-OPE-0123

Dear Secretary Cardona:

We write in support of the U.S. Department of Education’s (“Department”) notice of proposed rulemaking (NPRM) published in the Federal Register on April 17, 2024, to provide student loan debt relief for millions of Americans. We appreciate the Department and the negotiating committee's efforts in developing a bold and impactful proposal utilizing the Secretary’s clear authority to provide student debt relief under the Higher Education Act (HEA). When implemented, the Administration estimates that the proposed regulations would benefit 30 million Americans currently struggling under the weight of the student loan debt crisis.¹

We applaud the Biden Administration’s unprecedented leadership and work thus far to provide \$150 billion in student loan debt relief to more than 4 million Americans—particularly public service workers and low-income borrowers who have been forced to navigate a broken student loan system for far too long. We also commend the Department’s work to make monthly student loan payments more affordable for millions of borrowers, hold student loan servicers accountable, and make college more affordable for students and families. While millions of student loan borrowers and their families have been able to benefit from the Administration’s debt relief efforts thus far, the unjust decision by the conservative majority on the Supreme Court to strike down President Biden’s original debt relief plan has forced millions of Americans to wait for much-needed relief. The proposed NPRM marks a long-awaited opportunity to alleviate the burden of student debt for millions of borrowers and provide much-needed economic breathing room for working families.

We urge the Department to ensure that the final NPRM is implemented in the most effective and efficient manner possible for millions of borrowers. We also echo calls from borrowers and

¹ <https://www.whitehouse.gov/briefing-room/statements-releases/2024/04/08/fact-sheet-president-biden-announces-new-plans-that-would-provide-relief-to-borrowers-disproportionately-burdened-by-student-loan-debt/>

advocates to urge the Department to quickly release proposed plans to support borrowers experiencing hardship. Together, we can end the student debt crisis and relieve millions.

The rising cost of college and post-secondary education and training continues to limit the opportunities and mobility of our future workforce. College debt has increased 170 percent since 2006 and now exceeds 1.6 trillion dollars, making it harder for borrowers to succeed, build wealth, and contribute to economic growth.² These issues are exacerbated by the fact that almost one-third of Americans who hold student debt have no degree or credential. Student debt is hindering homeownership, small business formulation, retirement savings and even exacerbating the mental health crisis plaguing our communities.

It is important to note that the student debt crisis is an intergenerational crisis. Older borrowers at retirement age are one of the fastest-growing groups of student loan borrowers in the nation, increasing 500% over the last 20 years³. Today, more than 3.5 million Americans 60 or older hold student loan debt, collectively owing over \$125 billion. In 2020, one in three older borrowers aged 65 and older were in default, at risk of losing their Social Security benefits and even being subject to wage garnishment.

Furthermore, the burden of debt has a disproportionate impact on students of color and working-class individuals, worsening our nation's growing equality gap. Black families are more likely to borrow to go to school, take on higher levels of debt, and disproportionately struggle with repayment compared to their white peers.⁴ The vast inequalities underlying this issue are highlighted in the fact that Black and African American college graduates owe an average of \$25,000 more in student loans than their white counterparts. Black and Latino borrowers are also more likely than their white peers to default on their loans, which often has devastating effects on their credit and financial health.

The proposed NPRM will make bold progress in addressing the student loan debt crisis and provide relief for an estimated 30 million student loan borrowers, including 23 million borrowers who will benefit from fully eliminated interest, 5 million borrowers who will see at least \$5,000 in relief and 4 million borrowers who will be made entirely debt free.⁵ We applaud the Department's proposal to provide automatic relief to borrowers burdened by runaway interest, one-time cancellation for borrowers with loans 20 years or older, automatic relief to borrowers

²Education Data Initiative, "Student Loan Debt Statistics", Melanie Hanson, March 3, 2024, <https://educationdata.org/student-loan-debt-statistics#:~:text=Report%20Highlights.%20Student%20loan%20debt,have%20federal%20student%20loan%20debt>.

³ <https://www.newamerica.org/education-policy/edcentral/seniors-with-student-loans-15-years-of-debt/#:~:text=Retirement%20Dage%20borrowers%20are%20one,over%20the%20last%2020%20years>.

⁴Education Data Initiative, "Student Loan Debt by Race", Melanie Hanson, December 8, 2023, <https://educationdata.org/student-loan-debt-by-race>

⁵ <https://www.whitehouse.gov/briefing-room/statements-releases/2024/04/08/fact-sheet-president-biden-announces-new-plans-that-would-provide-relief-to-borrowers-disproportionately-burdened-by-student-loan-debt/>

currently eligible but have not been able to enroll, and borrowers who took out loans to attend a low-value program or school.

We encourage the Department to strengthen the NPRM to ensure the final rule addresses the following:

- Provide automatic runaway interest relief for as many borrowers as possible, regardless of income and enrollment in an Income-Driven Repayment Plan;
- Provide automatic relief to borrowers with loans older than 20 years on a rolling basis to ensure that no older borrower is left behind and forced to delay or forego retirement.
- Provide automatic relief to borrowers who have fallen victim to servicing failures and abuses and;
- Immediately unveil the proposed NPRM to support borrowers experiencing hardship.

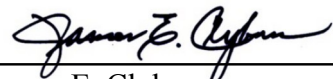
As the Department works to finalize these regulations, it is imperative the Department utilizes every tool under its authority granted by Congress to deliver on the President's promise to provide student debt relief to as many borrowers as possible, as quickly as possible. We stand ready to work in partnership with the Biden Administration to ensure that working families burdened by student loan debt see much-needed relief.

Thank you for your attention.

Sincerely,



Ilhan Omar
Member of Congress



James E. Clyburn
Member of Congress (SC-06)



Ayanna Pressley
Member of Congress



Frederica S. Wilson
Member of Congress

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Nanette Diaz Barragán
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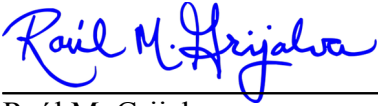
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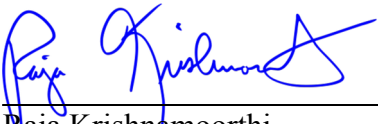
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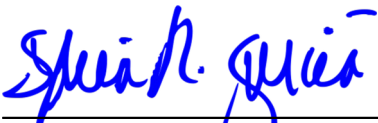
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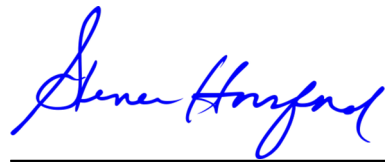
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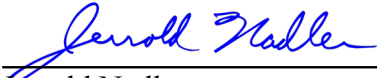
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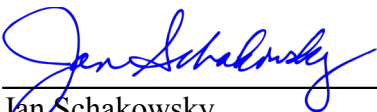
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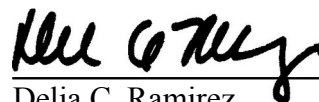
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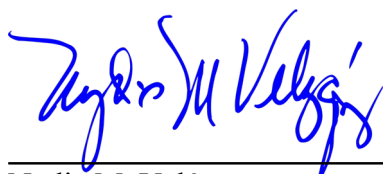
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