



## Kamala Harris Launches ‘Day of Action’ to Boost Student Loans Program

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Vice President Kamala Harris is leading the charge to boost enrollment in a program that allows most student loans to never be repaid in full.

Wednesday is the Biden administration’s “SAVE Day of Action,” designed to promote the Saving on a Valuable Education (SAVE) Plan under which monthly student loan payments are as low as \$0 for lower-income borrowers and loans can be written off completely after as little as 10 years.

“President Biden and I know that far too many people in our nation are struggling with student loan debt,” Harris said. “That is why we have forgiven nearly \$144 billion for almost four million Americans while also creating the SAVE Plan so that millions of people can cut their payments in half or entirely.”

More than 40 other organizations are participating, according to the White House, including the U.S. Chamber of Commerce and the Service Employees International Union, who are promoting the plan as well.

However, the SAVE Plan was not approved by Congress and has generated controversy because any unpaid debts fall on taxpayers.

“From a policy perspective, the SAVE plan is a disaster,” said the CATO Institute’s Andrew Gillen. “It will cost taxpayers \$475 billion just over the next ten years.”

SAVE adjusts previous income-driven repayment programs by reducing student loan payments from 10% to 5% of income, increasing the income exemption from payment from 150% to 225% of the poverty line, and reducing the length of repayment from 20 years to 10 years for some borrowers. Some scholars have argued it effectively turns student loans into untargeted grants.

But Gillen acknowledged that it’s a good deal for anyone taking out the loans.

“From an individual perspective, there is nothing a student loan borrower can do about that,” he said. “So as long as the program is up and running, borrowers should take advantage of it.”

The Biden White House is hosting an event at 9:30 to promote the program, featuring Secretary of Education Miguel Cardona, White House Domestic Policy Advisor Neera Tanden, Director of the Office of Public Engagement Stephen Benjamin, and other senior administration officials.