

BUSINESS INSIDER

Biden's Student-Loan Forgiveness Can Move Forward for Now After a Federal Judge Just Threw Out One of The Most Serious GOP Lawsuits Against the Debt Relief

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President Joe Biden motions while boarding Air Force One at Los Angeles International Airport after attending the Summit of the Americas in Los Angeles, Calif., on June 11, 2022.

- A federal judge struck down a lawsuit filed by six states seeking to challenge student-debt relief.
- It was regarded as one of the most serious challenges to the loan forgiveness plan.
- The GOP-led states could still appeal the case, but for now, Biden's debt relief can move forward.

Republicans seeking to block President Joe Biden's student-loan forgiveness just got dealt a major blow after a federal judge threw out their case.

Last week, Missouri US District Judge Henry Edward Autrey heard oral arguments from six Republican-led states who filed a lawsuit against Biden's student-debt relief, arguing that the loan forgiveness would hurt their states' tax revenues, along with the business operations of Missouri-based student-loan company MOHELA.

The suit was regarded as one of the most serious cases challenging the debt relief plan. But on Thursday evening, their case was struck down, with the judge ruling it would be dismissed due to "lack of jurisdiction."

Autrey said that the plaintiffs failed to show concrete harm the debt relief would cause them and will no longer consider the case. Still, they could take their lawsuit to the 8th Circuit Court of Appeals, where it will likely face a panel of conservative judges.

This was at least the third major lawsuit seeking to block debt relief that judges have struck down. Most recently, the Cato Institute — a Koch-backed libertarian think-tank — filed a lawsuit on Tuesday against Biden’s debt cancellation because it would undermine recruiting through the Public Service Loan Forgiveness (PSLF) program, joining at least six other major lawsuits filed by conservative groups so far.

Biden’s administration has not been deterred by these legal challenges. Right before Autrey’s Thursday ruling, Supreme Court Justice Amy Coney Barrett dismissed another request by a conservative group seeking to impose a pause on the implementation of debt relief.

This all comes after Biden on Monday officially launched the application for up to \$20,000 in student-loan forgiveness, which requires borrowers to fill out basic information like their names, emails, and Social Security numbers on an online form.

The dismissal of the Republican states’ lawsuit should also be welcome news to borrowers and lawmakers who questioned loan company MOHELA’s involvement in the case. On Tuesday, Missouri Rep. Cori Bush wrote a letter to the CEO of the company requesting further information on the extent to which it was involved in the legal challenge, and how it would impact the borrowers it serves.

“It is unconscionable that your company — as one of the largest student loan companies in the world—would be involved in overtly political efforts to rob millions of their right to student loan debt relief,” Bush wrote.

Another conservative lawsuit filed by the Job Creators Network is expected to go to court next week, but for now, borrowers can continue applying for relief through the online application at studentaid.gov.

“Today, a federal judge confirmed what lawyers in and out of government have long known: Joe Biden can cancel student debt broadly and immediately,” Mike Pierce, executive director of advocacy group Student Borrower Protection Center, said in a statement. “As right-wing politicians and corrupt corporations fight against this historic effort to deliver life-changing debt relief to tens of millions of families, borrowers have their clearest sign yet that the law is on their side.”