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# THE DAILY WIRE

## Biden's Latest Student Debt Bailout Plan Faces Legal Challenge From Think Tanks

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New Civil Liberties Alliance filed the legal challenge last week in Michigan on behalf of the Mackinac Center for Public Policy and the Cato Institute. The lawsuit argues that the Department of Education is overstepping its authority with the forgiveness plan and asks the judge to rule it illegal.

The lawsuit is “a desperate attempt from right wing special interests to keep hundreds of thousands of borrowers in debt,” the Education Department said in a statement, according to the [Associated Press](#). “We are not going to back down or give an inch when it comes to defending working families.”

Biden's original student debt forgiveness plan called for relieving up to \$20,000 worth of federal debt for an estimated 43 million borrowers. The administration faced a couple of legal challenges, and it was ultimately [thwarted](#) after several states argued it would illegally relieve loans that they had agreed to service, costing the states up to tens of millions of dollars every year.

The Supreme Court ruled the plan unconstitutional on June 30, knocking down Biden's attempt at fulfilling a campaign promise that had always appeared to be in doubt.

Roughly two weeks later, on July 14, the administration rolled out its next, scaled-back version.

“For far too long, borrowers fell through the cracks of a broken system that failed to keep accurate track of their progress towards forgiveness,” Education Secretary Miguel Cardona said in a [statement](#) at the time. “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.”