



Conservative Groups Sue to Block Forgiveness for 800,000 Student Loan Borrowers

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A pair of right-wing groups has filed a lawsuit seeking to block the Biden administration's latest plan to "fix" a key student debt forgiveness program and block 800,000 borrowers from receiving relief.

On Friday, the New Civil Liberties Alliance filed a lawsuit in Michigan on behalf of the Mackinac Center for Public Policy and the Cato Institute, two conservative groups with a history of fighting for right-wing causes. The groups argue that the Department of Education has overstepped its authority in canceling student debt for borrowers in its plan announced last month.

The plan was meant to deliver relief to borrowers under income-driven repayment (IDR), which is supposed to provide relief to people who have paid their student loans for 20 to 25 years but which has largely failed to do so for its 25 years of existence. The Education Department aimed to correct "historical inaccuracies" in how payments were counted — or miscounted — under IDR.

Officials said the plan would deliver \$39 billion in relief to over 800,000 borrowers, or about \$49,000 of relief per debtor on average.

The agency said in a statement that the lawsuit is “a desperate attempt from right wing special interests to keep hundreds of thousands of borrowers in debt,” per the *Associated Press*.

“We are not going to back down or give an inch when it comes to defending working families,” the agency continued.

The administration touted the plan shortly after the Supreme Court struck down Biden’s plan for broad-based student debt forgiveness of up to \$20,000 for borrowers, relying on a fringe, far right argument that federal regulators only have the authority to make rules explicitly spelled out by Congress. Student debt advocates said that, in reality, the Supreme Court is granting itself power to legislate from the bench.

The new plan is a crucial show of the administration’s commitment to its new student debt relief plan following the Supreme Court decision, which relies heavily on an updated version of IDR. If it’s struck down by courts, it could also deal a major blow to the future of student debt relief under Biden.

The groups suing over the plan have deep ties within the right. The Mackinac Center for Public Policy is a member of the State Policy Network, a far right network of think tanks that pushes for right-wing policies at the state level across the nation with funding from sources like the DeVos and Koch families. Meanwhile, the Cato Institute is a libertarian group founded by Charles Koch that has long been involved in right-wing lobbying and dark money efforts.

The lawsuit is part of a wide-reaching campaign from the right to seemingly block any form of student debt relief for any borrowers.

On Monday, a conservative federal court temporarily blocked relief for students who have been defrauded by schools in response to an appeal from trade group Career Colleges & Schools of Texas (CCST). The group sued last year after the administration issued a rule to provide relief to schools that had misled students.