



## Appeals court pauses Biden's plan to forgive student loans

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A federal appeals court put a temporary, administrative hold on President Joe Biden's student loan forgiveness program, barring the administration from canceling loans covered under the policy, while it considers a challenge to the policy.

The order came from the 8th US Circuit Court of Appeals, in a case brought by six Republican-led states. A district court dismissed the case earlier this week and the states are now asking the appeals court for a preliminary injunction halting the policy.

The 8th Circuit gave the administration until Monday to respond to that request, and the states will be able to reply to that response by Tuesday. The states had asked the appeals court to act before Sunday, the earliest date the Biden administration had said it would grant student loan discharges.

About 22 million people have already applied for debt relief since the application opened on October 14.

The lawsuit, which was filed last month, was dismissed on October 20 by a lower court judge who ruled that the plaintiffs did not have the legal standing to bring the challenge.

In another win for Biden that same day, Supreme Court Justice Amy Coney Barrett rejected a separate challenge to the student loan forgiveness program brought by a Wisconsin taxpayers group.

The Biden administration is also facing lawsuits from Arizona Attorney General Mark Brnovich, and conservative groups such as the Job Creators Network Foundation and the Cato Institute.

Many of the legal challenges claim that the Biden administration does not have the legal authority to broadly cancel student loan debt.

Lawyers for the government argue that Congress gave the secretary of education the power to discharge debt in a 2003 law known as the HEROES Act.

The Biden administration's plan

Biden's student loan forgiveness program, first announced in August, aims to deliver debt relief to millions of borrowers before federal student loan payments resume in January after a nearly three-year, pandemic-related pause.

Under Biden's plan, eligible individual borrowers who earned less than \$125,000 in either 2020 or 2021 and married couples or heads of households who made less than \$250,000 annually in those years will see up to \$10,000 of their federal student loan debt forgiven.

If a qualifying borrower also received a federal Pell grant while enrolled in college, the individual is eligible for up to \$20,000 of debt forgiveness.