



Potential Debt Relief, New Administration Working On Student Debt

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It stands to be one of the biggest boosts to Americans and the economy wiping out some student loan debt. Alicia Nieves shows us how this debt wipeout could work and whether it's likely to really happen.

President-elect Joe Biden campaigned on a promise to forgive some student loan debt and now millions of Americans are hopeful that will happen shortly after he takes office. "I think it is one of the most accessible ways President elect Joe Biden has to stimulus the economy."

Suzanne Kahn is the Director of Education, jobs, and worker power at the Roosevelt Institute and she says Biden has two choices for immediately student loan forgiveness. Push for Congress to include it in the next stimulus package he's currently doing that and pushing for \$10,000 to be forgiven.

If Congress, doesn't include it in a stimulus package Biden can issue an executive order by authority given to him in the higher education act. Either option could eliminate student loan debt for roughly 15 million borrowers and reduce the debt of another 30 million Americans.

"I think that it is through executive action, or at least the first movement we see around it will be executive action and that really is because the federal government owes 95% of student debt and the Secretary of Education has the ability to cancel it."

"My stance is that it is not inevitable." Neal McCluskey is the Director of the Center for Educational Freedom at the Cato Institute and says student loan forgiveness especially through executive order could be the most controversial way to go.

"There seems to be straws that he can grab and say look this gives me the authority to just write off this debt. Other people say it is not clear in the law that he can do that.

So what would be the most likely outcome is that he would try, if he were to try and cancel student loan debt through executive action it would end up in court and would be a pretty long court battle."

So if you are at home wondering what this means for your student loan debt? Ultimately, is now more likely than ever before that some of your debt could be forgiven but still no where close to guaranteed.

“I don’t think it is inevitable, but I do think it is important that it is on the table “