



# Experts weigh in on how student loan debt could be forgiven under the Biden administration

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New plans for student loan debt forgiveness are being proposed as President-elect Joe Biden prepares to take office in just a few weeks. Many of those with student loans, as well as many economists, are hopeful some form of student loan debt forgiveness will pass.

“I think it is one of the most accessible ways President-elect Joe Biden has to stimulate the economy,” said Suzanne Kahn, director of education, jobs, and worker power at the Roosevelt Institute in New York.

In an interview covering the possible benefits of student loan debt forgiveness, Kahn explained the two ways in which the Biden can get the debt forgiven. One, he can push for Congress to include this debt relief in the next stimulus package, or two, he can take executive action. Either option could eliminate student loan debt for roughly 15 million borrowers and reduce the debt of another 30 million Americans.

The president-elect is currently focused on pushing for \$10,000 to be forgiven in the next stimulus bill and has not said if he would actually consider executive action. However, he has also not refuted that option either.

The latter option is certainly the more controversial way to get this debt forgiven, although many Democrats argue it is still legal and fully within a president’s power to do so. Many high-ranking Democrats in Congress explain Biden would have the authority to do this through the Higher Education Act.

Experts like Kahn believe it is more likely that Congress will not agree on any amount of student loan debt forgiveness and Biden will take executive action.

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

“My stance is that it is not inevitable,” said Neal McClusky, director of the Center for Educational Freedom at the Cato Institute.

McClusky believes a third option is that no form of student loan debt forgiveness is passed, while he concedes there is a chance that Biden could issue an executive order forgiving student

loan forgiveness. However, he also points out that option could be challenged in the courts with some questioning his authority through the Higher Education Act.

“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,” said McClusky. “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, at the end of the day, where do we really stand with student loan debt forgiveness? The consensus is that it is more likely than ever before that some form of student loan debt will be forgiven, but we’re still nowhere close to a guarantee that will actually happen anytime soon.

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