



Michigan borrowers roll ‘with the punches’ hoping for student debt relief

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Jen Selleck doesn't feel like she's made a dent in her student loans.

Lucas Champoux is bracing for a six-figure debt when he graduates next spring.

Emily Klinkman feels uneasy about student loan payments starting again next year.

And Ivan Diaz is hoping the promise that would reduce his college cost burden remains viable.

A student loan forgiveness plan announced by President Joe Biden in August brought relief for the 1.4 million Michiganders who carry \$51.3 billion in debt. But recent legal challenges put the program in limbo.

“It's frustrating that the policy is getting attacked from all sorts of directions. And in my view, it's clear cut,” said Diaz, 24, a senior at Grand Valley State University studying political science and international relations.

Under the program, the Biden administration planned to forgive \$10,000 per borrower and \$20,000 per Pell Grant recipient earning less than \$125,000 individually or \$250,000 for households. As of late October, 26 million borrowers applied for relief and 16 million were deemed eligible.

It would cut Diaz's debt in half.

The Grand Rapids student, recently elected to the Kent County Board of Commissioners, owes more than \$30,000 and expects to graduate with more debt at the end of 2023.

“It's a big difference between getting it or not,” he said.

For Klinkman, 32, it would erase her entire \$20,000 balance.

After bouncing around to a few other schools, Klinkman graduated from Eastern Michigan University in 2019. She now works as a research associate at University of Michigan, living in the Ann Arbor area with her husband.

“We started talking about buying a house and the money we’d be saving every month,” Klinkman said. “For the first time, we were actually entertaining some semblance of financial stability.”

And Champoux, 23, says any debt forgiveness would be a relief. The Grand Valley State University senior expects to owe \$100,000 when he graduates in the spring with a degree in computer science.

“At the rate at which the interest is increasing and just the lump sum there is already,” he said, “I’ve tried to do the math in my head. It doesn’t work out that I’d be able to survive and have the ability to pay off this debt in any reasonable timeframe.”

A federal judge in Texas halted the program last week when he ruled it unconstitutional. And days later, a federal appeals court issued an injunction blocking debt relief after six states sued, claiming the program will deprive them of tax revenue.

“In this country, we are not ruled by an all-powerful executive with a pen and a phone. Instead, we are ruled by a Constitution that provides for three distinct and independent branches of government,” U.S. District Court Judge Mark Pittman wrote in his opinion.

Critics argue broad debt forgiveness doesn’t address the root problem, high college costs.

These court decisions mean 1.3 million Michiganders eligible for the program – including 849,300 Pell Grant recipients who qualify for up to \$20,000 – are waiting to see debt relief.

Selleck, 36, said \$10,000 of forgiveness could knock “a couple of years” off her payments. The Michigan State University grad owes an estimated \$70,000 after earning bachelor’s and nursing degrees in 2011. She stopped working as a nurse three years ago to care for her young children.

“I’m bummed,” Selleck said. “We finally made progress toward it and seeing that it could be wiped away is an unsettling feeling.”

The [Federal Student Aid website](#) now says “student loan debt relief is blocked.” The program stopped accepting applications less than a month after the window opened Oct. 17.

But for some borrowers, the rulings aren’t a death blow.

“We’re only going to be pushing more in that direction,” Diaz said. “I think that’s just a question of timing and whether it’s going to involve a simple policy that gets implemented immediately or something that gets stuck in the courts awhile.”

Student debt relief is a popular idea among Americans.

A [September survey](#) from the Cato Institute, a libertarian think tank, found 64% of Americans support a \$10,000 forgiveness plan with income caps. And [another survey](#) from Morning Consult, a research and insight company, found three in four voters back the Biden plan, more popular among Democrats than Republicans.

But Cato found support drops if the policy causes taxes or college tuition to increase.

The Biden administration plans to fight court rulings. But it faces an uphill battle. Former President Donald Trump appointed Pittman and two of the three involved U.S. Court of Appeals judges. Former President George W. Bush appointed the other.

While they wait on the courts, student borrowers will have to start payments again. Klinkman is feeling “unease” and “dread” about the nearly three-year pause on student loan payments ending in January.

“We’re going to have to move,” she said. “So, we’re going to have to start paying student loans monthly, as well as finding a new place to live, probably paying more in rent.”

But in the meantime, Champoux says he’s just “rolling with the punches.”

“In my eyes, it’s only a matter of when loan forgiveness goes through rather than if it will,” he said. “But the more immediate help and actions to stop this from happening again, the faster the better.”