

## Biden administration faces multifront battle on student loans

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The Biden administration is pushing forward on multiple fronts in its battle to see through a \$500 billion student debt transfer .

Two separate courts have blocked the program, which President Joe Biden attempted to implement without congressional approval on Aug. 24, and the White House is now appealing to the Supreme Court for help while extending the student loans repayment pause for at least another six months.

"As Americans continue to recover from the pandemic, my administration has been working to provide student debt relief to millions of working- and middle-class families across the country," Biden said in a video about the latest pause extension. "But Republican special interests and elected officials sued to deny this relief even from their own constituents. But I'm completely confident my plan is legal."

The federal student loan repayment pause dates to March 2020, when then-President Donald Trump implemented it along with a wave of other COVID-19-related policies. The latest extension is Biden's sixth since taking office and could see the pause last until Aug. 30, three and a half years after its initial implementation.

Biden promised the last pause extension would be the final one. That news came in conjunction with a loan "forgiveness" announcement of up to \$20,000 for some borrowers. However, with the forgiveness program looking vulnerable to being struck down in court, the Biden administration is pushing the pause back once again.

On the political side, administration officials have heavily criticized Republicans for the legal setbacks. College-educated voters have emerged as a reliably Democratic bloc in recent elections.

"We're extending the payment pause because it would be deeply unfair to ask borrowers to pay a debt that they wouldn't have to pay, were it not for the baseless lawsuits brought by Republican officials and special interests," Education Secretary Miguel Cardona said .

However, those lawsuits have been successful in icing the program, and the White House faces long odds in a Supreme Court that has emphasized separation of powers of late.

"Whenever you hear Democrats or even President Biden try to blame conservatives for the failure of their illegal student loan bailout just remember why; they're mad because the Constitution applies to them in the same way it does everyone else," said Elaine Parker, president of the conservative Job Creators Network Foundation. "They're mad because Biden cannot rule the country like a king."

Proponents of student loan forgiveness are still holding out hope that the program will go through as designed.

"The administration has done a good job of laying out its reasoning for using the HEROES Act to implement the president's \$10,000/\$20,000 debt relief plan and its authority for doing so as well," said Persis Yu, deputy executive director of the Student Borrower Protection Center. "The law is on the administration's side."

Criticisms of Biden's forgiveness program tend to focus on its cost, which has been estimated at between \$500 billion and \$1 trillion by various scorekeepers, and the fact that it only benefits those who attended college at the expense of blue-collar workers. But the pause itself comes with a hefty price tag.

The Committee for a Responsible Federal Budget estimates the latest pause extension could cost \$40 billion, bringing the grand total for the pause to \$195 billion, mostly due to missed payments. The pause costs more than \$5 billion per month and also fuels inflation, CRFB argues.

Neal McCluskey, director of Cato's Center for Educational Freedom, said earlier this month that Biden's student debt transfer faced 50-50 odds of being overturned in court. He now says those odds have shifted to perhaps 80-20 in favor of the program being struck down.

"Once the courts determined people had standing to sue, the constitutional and legal case was pretty clear," he said. "The Biden administration does not have the authority to cancel \$400 billion in student debt."

If courts strike down the student debt transfer, it's possible lawsuits could then emerge attacking the legality of the pause as well. Both rest on the authority the White House says it has under the HEROES Act of 2003, which was designed with military service members in mind.

Biden is also battling with Congress over his continued extension of the national COVID-19 emergency, which grants him expanded powers. So long as the emergency powers remain in effect, the White House may continue working to keep the repayment pause in effect.

"There's been a general belief that the HEROES Act does allow a president to freeze repayment so long as there's still a national emergency," said McCluskey. "As long as the federal government keeps saying we're in a period of national emergency, he'd technically have the ability to continue these waivers."