

Biden announces mass student loan forgiveness program

By Haisten Willis

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President Joe Biden has announced a mass student loans forgiveness program.

The White House has long teased "canceling" \$10,000 per borrower of student loans, which would mean shifting the debt onto taxpayers, but finally announced details of the program on Wednesday.

Biden will speak about the program at 2:15 p.m. at the White House.

Some 40 million Americans hold a collective \$1.7 trillion in student loans, and the issue has been hotly debated for years.

Conservatives predict a blue collar backlash to the Democratic stance on student loans, saying Biden will live to regret his moves because 87% of Americans do not have student loans.

"What does it say for all those folks? Boy, you were really stupid here," former Education Secretary Betsy DeVos told the Washington Examiner in June.

Democrats hope the move energizes young voters in a nonpresidential election year, yet there is disagreement on that side over how far to go. Groups like the NAACP and legislators including Sen. Elizabeth Warren have called on Biden to shift \$50,000 or more per borrower onto the public debt, with some even saying \$10,000 per borrower is a form of structural racism because black borrowers have higher average balances.

An analysis from the Penn Wharton Budget Model estimates it will cost taxpayers between \$300 billion and \$980 billion over 10 years to forgive student loans, with most of the debt relief going to borrowers in the top 60% of income earners.

One issue that conservatives and progressives largely agree on is that reforms need to be made in order to prevent future borrowers from racking up similar levels of debt, however the White House has not laid out firm plans to attack that aspect of the loans situation.

Republicans have raised ethical issues about Biden administration staffers holding millions in student loans, an issue that former Bush White House ethics lawyer Richard Painter said could be not just unethical but criminal.

Another question is whether Biden has the legal standing to take action on loans without Congress. House Speaker Nancy Pelosi (D-CA) said in 2021 the president cannot move without Congress, and most on the right agree.

“There is no meaningful argument that Biden has the legal authority to do broad student debt cancellation,” said McCluskey. “He has said for months that his legal people will give him a report, and no one has seen anything from that report. If he thought he had legal authority, you would think he would have released the report.”

But even McCluskey doesn't know who could establish standing to file a suit as an aggrieved party, which would undermine any legal efforts to stop the cancellation.

"Generally speaking, taxpayers don't have standing to sue saying their money is being used badly," he said.