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Joe Biden's Student Loan Scam Is Back

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The Supreme Court struck down President Joe Biden's first effort to deliver on a campaign promise to cancel student debt – something many experts say he had no power to enact in the first place.

But the chief executive is not giving up, announcing a new plan that would see up to \$39 billion in student loans forgiven. Once again, the plan has run into staunch opposition.

Joe Biden Has a Problem

Working through an organization called the New Civil Liberties Alliance, two conservative groups, the Cato Institute and the Mackinac Center for Public Policy, have sued the U.S. Department of Education in a federal district court in Michigan, asking the court to block the department from implementing the new plan, arguing that the Biden administration has no authority to forgive student loans.

The suit is asking a judge to halt any and all efforts to put the plan into action before the case is heard and resolved.

Critics of the chief executive on the other side of the aisle have also once again blasted the new plan, calling it a “backdoor attempt” at forgiving student loans. House Committee on Education and the Workforce Chairperson Virginia Foxx called the new plan the “latest example of the ongoing delusion” of the Biden administration.

Michigan Representative Lisa McClain called the plan “unconstitutional” and bemoaned that taxpayers would bear the brunt of paying off loans that weren't theirs in the first place.

Missouri Senator Eric Schmitt also slammed the new program in a tweet where he described the initiative as “another example of Executive overreach” and called the Biden administration “completely lawless.”

Try and try again

Around 800,000 borrowers are set to benefit from Biden's new student debt forgiveness plan. The majority of them are in income-driven repayment plans, many of which already offer cancellation if borrowers are shown to have made payments anywhere from 20 to 25 years.

The Department of Education is saying that the new initiative will be a “one-time adjustment” that would correct “past administrative failures” that caused borrowers’ payments to be recorded inaccurately.

Biden’s initial plan was much broader and more ambitious, and if implemented, would have seen the erasure of as much as \$430 billion in federal student loan debt — about \$20,000 in debt for individual borrowers. The government used the 2003 Heroes Act as the basis for the plan. The law, passed after the 9/11 terror attacks, allowed the president to make adjustments to student loan plans during national emergencies. According to the Biden administration, the COVID-19 pandemic qualified as a national emergency.

However, the majority of the members of the Supreme Court disagreed, voting 6 to 3 to nix the initiative after several states sued the government over the plan.

Chief Justice John Roberts, who explained the decision of the majority, said in his decision that the president simply did not have the authority to cancel the debt by himself – the program would first need to be approved by Congress. The question, Roberts wrote, was “who has the authority to do it.”