

## Conservative groups sue Biden for new plan to forgive \$39 billion in student loans

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- **A lawsuit in Michigan challenges Biden's latest scheme to forgive student loans**
- **Supreme Court struck down widespread loan forgiveness, so Biden proposed a plan that would forgive \$39B specifically in income drive repayment plans**
- **Republicans claim the administration is trying to find any congressional workaround it can to forgive student loans**

President Joe Biden has again been accused of abusing his power with his bid to wipe \$39 billion in student loan debt.

Conservative groups are suing the Biden administration and demanded a federal court block the new income-driven repayment plans.

The White House had to draft new proposals to forgive student loan debts after the Supreme Court struck down his plan weeks ago.

The Cato Institute and New Civil Liberties Alliance are now suing the Biden administration for the proposal to cancel \$39 billion for more than 800,000 borrowers. It's the latest in a series of legal battles launched against the President for trying to wipe away outstanding student loans.

Repayments are resuming in the fall after more than three years of deferred student loans and suspending interest accrual due to the coronavirus pandemic. Many are wringing their hands over the prospects of returning to paying off student loans coupled with inflation and increased cost of living nationwide.

**Two conservative groups filed a lawsuit in Michigan against President Joe Biden's latest scheme to implement widespread student loan relief**

**Biden reveals new plan for student loan borrowers after SCOTUS ruling**

The lawsuit was filed Friday in Michigan and argues that Biden's Education Department is overstepping its power.

The Department of Education (DOE) called the suit 'a desperate attempt from right wing special interests to keep hundreds of thousands of borrowers in debt.'

'We are not going to back down or give an inch when it comes to defending working families,' the department said in a statement.

The conservative groups claim that Biden's action was illegal because it wasn't authorized by Congress and didn't go through a federal rulemaking process that opens a forum for public feedback.

'No authority allows the Department to count non-payments as payments,' the lawsuit says.

It adds that the action came in 'a press release that neither identified the policy's legal authority nor considered its exorbitant price tag.'

On July 14, the Biden administration announced a forgiveness plan for 804,000 borrowers currently enrolled in income-driven repayment plans. IDR allows borrowers to have their monthly payments adjusted to reflect how much they are making and usually offers cancellation for borrowers after they have made 20 or 25 years of payments.

**The Supreme Court struck down widespread loan forgiveness in June, so Biden proposed just weeks later a plan that would forgive \$39B for 804,000 borrowers on income drive repayment plans**

DOE claims that 'past administrative failures' have resulted in accurate payment counts that set borrowers back on progress toward paying off their loans or receiving that forgiveness.

The 'one-time adjustment' would count past periods where borrowers were not making payments as if they were making payments during that time in order to expedite the timeline of forgiveness.

The plan would ensure that 804,000 borrowers achieve total cancellation at that point, while it would also move millions more closer to the 20 or 25-year mark.

The lawsuit alleges that Biden's plan is just another way for him to skirt around Congress in achieving widespread student loan forgiveness.