Congress of the United States
Washington, D.C. 20515

January 16, 2024

The Honorable Miguel Cardona
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary Cardona:

We write today to express concern surrounding the potential costs of the Biden administration Department of Education's (ED) latest student loan bailout plan, which was considered by the 2023 Negotiated Rulemaking Student Loan Relief Committee during the week of December 11, 2023.[1]

This attempt is just the latest in a string of reckless and illegal actions by an administration seeking to cancel $1.7 trillion lent to student loan borrowers by taxpayers. On August 24, 2022, President Biden announced an initiative to overhaul the federal student loan program by cancelling up to $20,000 in student loan debt for over 40 million households – including those earning up to $250,000 annually. On November 22, 2022, ED extended the emergency student loan repayment pause for an eighth time since the beginning of the COVID-19 pandemic, despite the President himself claiming in September 2022 that the "pandemic was over."[2] Additionally, in response to the Supreme Court striking down the President's illegal debt cancellation plan,[3] the President announced three new student loan schemes, including an overhaul of the income-driven repayment program, which was ironically dubbed the Saving on a Valuable Education (SAVE) plan.

The Congressional Budget Office estimated the President's loan cancellation policy alone would have cost taxpayers over $330 billion.[4] Further, his six unwarranted extensions of the repayment pause have increased the deficit by $165 billion.[5] Coupled with illegal waivers, expansive regulations, and as much as $558 billion in new spending as a result of the administration's radical SAVE repayment plan,

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[1] "Proposed Regulatory Text: Student Debt Releif Negotiated Rulemaking , Session 3," United States Department of Education, Office of Postsecondary Education (December 4, 2023), https://www2.ed.gov/policy/highered/reg/hearulemaking/2023/new-student-loan-debt-relief-proposed-regulatory-text-session-3-v1.pdf

[2] "Biden: 'The Pandemic is Over'," CNN Politics (September 18, 2022), https://www.cnn.com/2022/09/18/politics/biden-pandemic-60-minutes/index.html.

[3] *Biden v. Nebraska*, No. 22-506, slip. op. (U.S. June 30, 2023).

[4] "Monthly Review: September 2023," The Congressional Budget Office (October 10, 2023), https://www.cbo.gov/system/files/2023-10/59544.pdf.

[5] "Student Loan Pause Could Cost $275 Billion," Committee for a Responsible Federal Budget (November 22, 2022), https://www.crfb.org/blogs/student-loan-pause-could-cost-275-billion

this administration has attempted to spend an unprecedented $1 trillion on loan "forgiveness" during its first three years in office – all without congressional approval.

ED's latest student loan bailout attempt will, like its prior actions, result in significant costs to working-class Americans. While ED claims these illegal actions are narrowly targeted, the regulatory draft text indicates the newest plan is expansive and in direct conflict with federal statute. Moreover, ED appears to be hiding its true intentions. Indeed, despite three regulatory convenings, ED failed to provide regulatory text on a so-called "financial hardship" waiver, thus enabling the administration to, once again, shift hundreds of billions of dollars in debt from those who willingly took out loans to those who did not.

We remain deeply concerned about the fiscal and economic impact of ED's current negotiated rulemaking, especially after ED refused to allow even a single individual representing the interests of taxpayers to sit on the rulemaking panel. Excessive federal spending worsens our $34 trillion debt crisis and adding tens of billions of dollars to our nation's deficit will only fuel the inflationary fire that continues to harm hardworking Americans – of which the vast majority never borrowed for college or stepped foot on a college campus. The administration's insistence on circumventing Congress underscores the need for oversight.

The Committee on the Budget has been granted jurisdiction over the "[b]udget process generally" as outlined in Rule X of the Rules of the U.S. House of Representatives, 118th Congress.[6] Therefore, the Committee on the Budget has a responsibility to "assess … legal authorities to manage federal spending."[7] The Committee on Education and the Workforce has been granted legislative and oversight jurisdiction over the "organization, administration, and general management of the Department of Education" as well as over education matters, generally, as described in the Rules of the U.S. House of Representatives, 118th Congress.[8]

To assist the two Committees with their oversight responsibilities, please provide answers to the following questions and requests for documents (instructions attached) no later than January 30, 2024 – two weeks from the date of this letter, unless otherwise indicated.

1) Has the administration produced cost estimates for each of its proposals considered during the regulatory convenings and, if so, does the administration plan to make these estimates public? If not, please provide ED's rationale for hiding the costs of its actions from the American people.

2) When does the administration plan to release more details about this so-called "financial hardship" waiver, and will these details include the costs of the proposed actions?

Furthermore, this letter serves as a formal request to preserve all existing and future records and materials relating to the topics addressed in this letter. You should construe this preservation notice as an instruction to take all reasonable steps to prevent the destruction or alteration, whether intentionally or negligently, of all documents, communications, and other information, including electronic

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[6] Rules of the House of Representatives, 118th Cong. at 7 (Jan 10, 2023).
[7] Authorization and Oversight Plan of the Committee on the Budget, House of Representatives 118th Cong. at 2 (Feb 9, 2023).
[8] Rules of the House of Representatives, 118th Cong. at 7, 9-10 (Jan 10, 2023).

information and metadata, that are or may be responsive to this congressional inquiry. This instruction includes all electronic messages sent using official and personal accounts or devices, including records created using text messages, phone-based message applications, or encryption software.

Should you have any questions, please contact Sarah Bloomquist with the Committee on the Budget at 202-226-7270, or Gabriella Pistone with the Committee on Education and the Workforce at 202-225-4527.

Sincerely,

Jodey Arrington
Chairman
House Budget Committee

Virginia Foxx

Virginia Foxx
Chairwoman
House Education and the Workforce Committee

Attachment