

# ***BIDEN'S STUDENT LOAN FORGIVENESS SCAM***

## **BACKGROUND:**

- Since taking office, President Biden has exploited the COVID-19 national emergency to extend a never-ending repayment pause and cancel as much as \$400 billion of student loan debt behind closed doors.
  - President Biden unilaterally expanded a program that provides an average of \$100,000 in loan forgiveness for doctors, lawyers, Planned Parenthood employees, and Democrat operatives at leftist think tanks.
  - President Biden waived the income requirements for a program that is intended to offer struggling borrowers forgiveness after 20 or 25 years of repayment, potentially canceling over \$200 billion in debt for 4.4 million individuals, many of whom likely have incomes far exceeding the poverty level.
- Now President Biden and his liberal allies in Congress are calling for mass debt cancelation for millions of borrowers.

## **HOW IS BIDEN DOING THIS?**

- Biden is abusing a 2003 law meant to provide time-limited relief to military members during deployment following the attacks on 9/11.
- Rather than work with Congress to reform our broken higher education system, this administration is keeping the pandemic going to enact costly student loan forgiveness despite unemployment going down and help wanted signs going up.

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## **UNFAIR TO TAXPAYERS.**

- Forcing taxpayers who never went to college to pay for the tuition bills of Ivy League-educated lawyers and surgeons is unfair.
  - The top 20 percent of households hold \$3 in student loan debt for every \$1 held by the bottom 20 percent.
- What about students and families who held multiple jobs to earn enough money to pay their debts?
  - There are millions more Americans who have mortgages, car loans, and credit card debt and none of them got a two-year paid vacation from their monthly bills. Will they get forgiveness next?

## **STEALS FROM THE POOR TO PAY THE RICH.**

- Biden's student debt cancelation proposal is just an expensive bribe to voters ahead of November.
  - Canceling \$10,000 or more of federal student debt for borrowers making less than \$125,000 would cost at least \$230 billion, with roughly 70 percent of the benefit going to those in the top half of the income spectrum.
  - Forgiving \$10,000, which benefits the wealthy, would cost more than the U.S. has spent helping those most in need through welfare programs since 2000.

## **FUELS THE INFLATION CRISIS.**

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- Blanket loan forgiveness fuels the dumpster fire that is Biden's inflation crisis.
- According to a recent analysis, canceling student debt today would increase Biden's inflation tax to nearly 9 percent for hurting Americans already struggling to put food on the table and gas in their cars.
- Everyone except President Biden is sounding alarms about inflation.
  - Larry Summers, Harvard economist and former Clinton Treasury Secretary, notes that the continued extensions are "highly problematic," and "inappropriate at a time when the economy is overheated."
  - Experts from the Progressive Policy Institute warn that "future students would in fact be the biggest losers of large-scale debt cancellation because of its impact on inflation."

## **A SHORT-TERM "FIX" TO A LONG-TERM STRUCTURAL PROBLEM.**

- If \$10,000 per borrower was canceled, student debt would return to its current level of \$1.6 trillion by fiscal year 2025.
- The Department of Education is following the playbook that led to the 2008 housing crisis by providing predatory loans to low-income borrowers for an expensive education with little value.
  - According to recent studies, several college degrees have zero return on investment (ROI).
    - Over 25 percent of bachelor's degrees have a negative ROI.
    - 40 percent of master's degrees have zero or negative ROI.
- Loan forgiveness does nothing to address the root causes of soaring college costs or the lack of accountability for colleges' abysmal student outcomes.
  - Since 1980 the average cost of college has risen by 1200 percent.
  - Four in ten students who attend college never graduate.
- Forgiving student loans will increase borrowing because the administration is sending the signal that loans will never have to be paid back. In turn, institutions can continue to raise prices, forcing students to borrow more and more.
  - Graduate students and parents have zero limits on what they can borrow, regardless of their ability to pay for the program they choose.
  - As a result of generous financial aid, studies have found that institutions increased tuition at rates of up to 60 cents for every dollar in additional grants and loans.

### **BOTTOM LINE:**

- **Unfair to taxpayers, including the 100 million Americans who never went to college.**
- **Unfair to Americans already struggling to put food on the table due to Biden inflationary spending spree.**
- **Unfair to future students who will bear the burden of ballooning college costs and endless borrowing.**