

BIDEN'S STUDENT LOAN SCAM

BACKGROUND:

- President Biden is violating his oath of office and exploiting the COVID-19 pandemic to push through his radical free college agenda to cancel over \$1 trillion in student loan debt, including:
 - \$400 billion through his student loan bailout, which provides nearly two-thirds of the benefit to those in the top-half of the income spectrum.
 - \$150 billion through his nearly three-year pause on student loan payments.
 - Nearly half a trillion through illegal waivers, new regulations, and expansive regulations beyond what Congress authorized.

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 claiming the COVID-19 national emergency was over months ago when acting on other policies.

UNFAIR TO TAXPAYERS :

- There is no such thing as forgiveness. The President is simply transferring the debt from borrowers who willingly took out student loans to hardworking taxpayers who did not, including those who never stepped foot on a college campus.
 - Just 13 percent of Americans have student loans, and over half of all outstanding student debt was borrowed for graduate school.
- 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 or their balances canceled.

STEALS FROM THE POOR TO PAY THE RICH:

- Biden's student debt cancelation proposal was just an expensive bribe to voters ahead of November.
 - At a price tag of \$400 billion, canceling up to \$20,000 of federal student debt far exceeds the amount taxpayers will spend on the Pell Grant over the next decade, and is more than the U.S. has spent helping those most in need through welfare programs since 2000.
 - Households with graduate degrees hold the majority of student loan debt and have received the most benefit from Biden's permanent payment pause and expansions of Public Service Loan Forgiveness.



FUELS BIDEN'S INFLATION:

- Blanket loan cancelation 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 for 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:

- Even after the President's bailout, student debt would return to its current level of \$1.6 trillion by fiscal year 2028.
- 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, 28 percent of bachelor's degrees leave students worse off financially than if they had not enrolled, and 40 percent of master's degrees provide students a negative return on their investment.
- Loan "forgiveness" does nothing to address the root causes of soaring college costs or the lack of accountability for colleges' abysmal student outcomes.
 - Over the last two decades alone, the cost of college increased nearly three times the rate of inflation. 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 or their child chooses.
 - 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.

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

