

SCOTUS: Biden's Student Loan Scheme is Unconstitutional

BACKGROUND

The student loan transfer scheme was estimated to cost taxpayers **\$315.6 billion**.

- **92%** of all student loan debt comes from federal loans. This debt is held by approximately **only 13%** of the population.
 - This expense was on top of:
 - An estimated **\$195 billion** from the three-year long repayment pause that started in March 2020 and is lasting through the Fall of 2023.
 - **\$230 billion** for Biden's radical Income-Driven Repayment Plan, which is set to be the **most expensive regulation in history**.
- The Biden administration was using the *Higher Education Relief Opportunity for Students Act of 2003*, meant to provide temporary relief to military members following 9/11, and abusing the national emergency status from COVID-19 to transfer billions in student loan debt to taxpayers.
- Biden's student loan transfer scheme was:
 - **Unfair to taxpayers.**
 - Forces taxpayers who never went to college to foot the bill for doctors, lawyers, and borrowers who stand to make six figures.
 - **Stealing from the poor to pay the rich.**
 - Cancelling \$10,000 or more of federal student debt for borrowers making less than \$125,000 (\$250,000 for married couples) with roughly **70%** of the benefit going to those in the top half of earners.
 - **Fueling the inflation disaster.**
 - **A short-term fix to a long-term structural problem.**
 - If \$10,000 per borrower was cancelled, **student debt would return to its current level of \$1.6 trillion by fiscal year 2025.**
 - 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.
 - **Blatantly illegal.**

SUMMARY

- The Supreme Court heard arguments from two cases that challenged the constitutionality of Biden's student loan transfer scheme:
 - One case was brought by Nebraska and five other states and argued that the Biden administration's plan exceeded the statutory authority of the Secretary of Education and violated the separation of powers in the *Administrative Procedure Act*.
 - The other case, brought by two individual borrowers, argued that the Biden administration did not follow proper procedures when adopting and implementing the plan.

BOTTOM LINE

Biden's student loan transfer scheme was an illegal power grab that was unfair to borrowers and taxpayers. Republicans have real solutions to fix our broken student loan system, such as the *Federal Assistance to Initiate Repayment (FAIR) Act*.

