

The Honorable Virginia Foxx  
Chair, House Education and the Workforce Committee  
U.S. House of Representatives  
2176 Rayburn House Office Building  
Washington, DC 20515

The Honorable Robert “Bobby” Scott  
Ranking Member, House Education and the Workforce Committee  
U.S. House of Representatives  
2101 Rayburn House Office Building  
Washington, DC 20515

Re: Student Loan Debt Cancellation

Dear Chairwoman Foxx and Ranking Member Scott:

In unilaterally “canceling” up to \$20,000 in student loan debt for borrowers earning less than \$125,000 annually, the Biden administration, on August 24, 2022, put into motion a plan that would further inflate college costs, hinder economic growth, reward upper-income earners<sup>1</sup>, and provide a significant handout to institutions of higher education.

Almost eight months later, on March 17, 2023, the U.S. Government Accountability Office issued an opinion<sup>2</sup> stating that the Biden administration’s student loan cancellation is not in effect because it’s a rule that “substantially impact[s] the rights and obligations” of private parties, and such rules must be submitted to Congress before taking effect. The GAO’s ruling rightly preserved Congress’ role in supervising the administrative state and afforded Congress the opportunity to debate the merits of mass debt cancellation.

Senator Bill Cassidy (R-La.), along with Representative Bob Good’s (R-Va.) swift efforts to introduce a Joint Resolution of Disapproval under the Congressional Review Act (CRA) to overturn President Biden’s student loan cancellation scheme, which would transfer up to \$20,000 in student loan debt per borrower onto taxpayers, costing an estimated \$400 billion<sup>3</sup> was the correct response to an unfair, regressive, and inflationary policy put forth by the Biden Administration.

If Congress successfully uses its disapproval power under the Congressional Review Act, student loan cancellation would be dead, and the cases currently before the Supreme Court challenging the secretary of education’s authority to cancel the debt would be moot.

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<sup>1</sup> Lindsey M. Burke, “Student Loan Forgiveness a Regressive Policy That Hurts Working Americans,” November 17, 2020, <https://www.dailysignal.com/2020/11/17/student-loan-forgiveness-is-a-regressive-policy-that-hurts-working-americans/>

<sup>2</sup> U.S. Government Accountability Office, “U.S. Department of Education—Applicability of the Congressional Review Act to the Department of Education’s Student Loan Debt Relief Website and Accompanying Federal Register Publication,” March 17, 2023, <https://www.gao.gov/assets/820/818220.pdf>

<sup>3</sup> Congressional Budget Office, “Costs of Suspending Student Loan Payments and Canceling Debt,” September 26, 2022, <https://www.cbo.gov/publication/58494>

Student loan forgiveness is regressive, inflationary, and ill-conceived. Rather than increasing taxes on working Americans to assume someone else's college debt, Washington should begin winding down its involvement in student loans, allowing private lending and alternative innovative financing models to emerge. Such options would better meet the needs of students while protecting taxpayers from continued exposure to outstanding student loan debt.

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