

LATEST NEWS WITH STUDENT LOAN FORGIVENESS DEBACLE. YES, NO, MAYBE?

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The Student Loan Forgiveness Program:

President Biden, Vice President Harris, and the U.S. Department of Education have announced a three-part plan to help working and middle-class federal student loan borrowers transition back to regular payment as pandemic-related support expires. This plan includes loan forgiveness of up to \$20,000.

TOP NEWS

Since an appeal court initially blocked President Biden's student loan forgiveness scheme more than a month ago, the legal challenges have only gotten more intense.

In August, Biden announced proposals to waive up to \$20,000 in federal student loan debt for applicants who satisfy specific income thresholds. According to the administration, almost 40 million people could gain. However, it is currently contesting court decisions resulting from litigation that have stopped the policy.

The Supreme Court agreed to hear arguments on the validity of Biden's plan in February on Thursday after receiving a petition from the government asking the court to get involved. but declined to permit the program to continue in the interim.

The Supreme Court will examine whether Biden's student loan forgiveness program is lawful. Some borrowers are clamoring for information because of the pause.

Here are some points to be aware of:

What's the latest in the student loan forgiveness lawsuits?

A number of lawsuits are pending in an attempt to stop Biden's debt relief strategy. Six states—Arkansas, Iowa, Kansas, Missouri, Nebraska, and South Carolina—brought one of the cases, claiming the president overreached his power and jeopardized the revenue of state organizations that benefit from federal student loans.

The states appealed the decision and asked for an emergency stay to stop the administration from canceling any loans after a lower court dismissed the lawsuit. On October 21, the U.S. Court of Appeals for the 8th Circuit granted the request. Later, the relief program's delay was extended by an injunction obtained by the appeal court. Attorneys for the Biden administration requested that the Supreme Court overturn the injunction.

In the meantime, a federal judge in Texas ruled in a different complaint that the debt relief program was illegal, thus ending it. U.S. District Judge Mark T. Pittman of the Northern District of Texas rendered a decision on November 10, 2018, which granted the Job Creators Network Foundation, a conservative organization that brought the lawsuit in October on behalf of two borrowers of student loans, a victory.

In an appeal, the Education Department requested a stay of the lower court's decision from the U.S. Court of Appeals for the Fifth Circuit. The court declined but promised to accelerate the administration's appeal review. Justice attorneys have stated that they plan to petition the Supreme Court for relief.

Can I still apply for the debt relief program?

Following the rulings, the Education Department has stopped taking applications, although it still encourages borrowers to sign up for updates at studentaid.gov.

I already applied for relief. What happens now?

"For the 26 million borrowers who have already given the Department of Education the necessary information to be considered for debt relief — 16 million of whom have already been approved for relief — the Department will hold onto their information so it can quickly process their relief once we prevail in court," stated Karine Jean-Pierre, press secretary for the White House, in November.

When will loan payments resume?

After the Education Department is given permission to carry out the debt relief program or the lawsuit is settled, payments will start again 60 days later. The agency states that payments will resume on September 1st, or 60 days after, if that hasn't occurred by June 30.

In the hopes that their applications would be processed before the expiration of a suspension on student loan payments, the Biden administration had encouraged borrowers to apply for debt relief by Nov. 15, the date on which the pause was supposed to end, Dec. 31. That might have allowed the Education Department adequate time to adjust the monthly payments due to the borrowers in accordance with their new, reduced balances.

Where can I get more answers?

On studentaid.gov, the Education Department has continued to provide updates regarding the forgiveness program. Questions and false information are still present. Federal officials have cautioned the public to be cautious of schemes aimed at debtors, particularly those that offer to help with relief applications in exchange for a charge.

