



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Chairman Arrington Releases Statement on Biden’s Shameless Disregard for Rule of Law and Fiscal Responsibility on Student Loan Bailouts

WASHINGTON, D.C. – Today, Chairman Jodey Arrington (R-TX) released a statement slamming President Biden for openly [circumventing](#) the Supreme Court to push his unconstitutional [student loan bailout](#). Earlier this week, the President [said](#) of his debt transfer plan: “the Supreme Court blocked it, but that didn’t stop me.”

“President Biden bragging about defying the Supreme Court’s decision on his unconstitutional student loan bailout shows his shameless disregard for rule of law and fiscal responsibility.

“By supercharging America’s entitlement culture and sticking future generations with the bill, President Biden is sentencing our children to a life of economic disaster.

“Why? Same reason as most of his radical socialist policies: to placate the Left and gain support at the polls.”

Background

The Biden Administration has been relentless in pushing their student loan bailout scheme on the American public, despite it being [shut down in Congress](#) and the courts. The repercussions of this debt transfer are dire for the American taxpayer and our growing debt.

In May 2023, [CBO projected](#) the FY 2023 deficit to be \$1.5 trillion. The *actual* FY 2023 deficit was \$2 trillion (after accounting for the Administration’s student loan cancellations), a difference of \$489 billion or 32 percent.

Chairman Arrington is pushing back on the Biden Administration’s student loan scheme, and recently [sent a letter](#) to the Biden Administration with House Education and Workforce Chairwoman Virginia Foxx (R-NC) demanding more clarity on the cost of the latest bailout plans.

See below for a timeline of the Biden Administration’s push for their debt transfer scheme:



TIMELINE OF PAST ACTIONS

August 22, 2022: Using a flawed interpretation of a 2003 law meant to provide time-limited relief to military members following 9/11, President Biden announced his administration would cancel \$10,000 of student loan debt per borrower and \$20,000 for Pell Grant recipients, costing approximately \$330 billion, according to the non-partisan Congressional Budget Office.

June 30, 2023: President Biden responded to the Supreme Court's Biden v. Nebraska decision by announcing additional student loan bailouts, including a finalized income driven repayment rule estimated by the Penn Wharton Budget Model to cost up to \$559 billion over the next decade.

Fall 2023: The Biden administration established a negotiated rulemaking committee to develop and propose a second widespread student loan scheme.

- Since its creation, the committee has convened numerous sessions, receiving draft regulatory text prior to each meeting from the ED.

January 2024: Chairman Arrington (R-TX) and House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC) sent a letter to U.S. ED Secretary Miguel Cardona requesting information and relevant documentation related to the Biden administration's latest student loan bailout plan.

January 2024: House Republicans respond to the Biden administration's continued student loan bailouts with the "College Cost Reduction Act," which provides:

- Much-needed transparency to the true cost and real value proposition of higher education;
- Requires universities to put skin in the game; and,
- Incentivizes good behavior from students and schools alike.

February 2024: ED unveiled additional draft regulatory text to the negotiated rulemaking committee, outlining plans to consider "life challenges" when cancelling student debt.

- A proposed rule on President Biden's second major student loan bailout is expected in May 2024.

