



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Chairman Arrington Releases Statement on Biden's Latest Student Loan Bailout Scheme

WASHINGTON, D.C. – Today, House Budget Committee Chairman Jodey Arrington (R-TX) issued the following statement in response to the Biden Administration's Department of Education (ED) unveiling plans last week for its next widespread student loan bailout scheme:

“The Biden administration is at it again. Despite the decision by the Supreme Court declaring their previous \$330 billion bailout plan unconstitutional in June 2023 and our nation's record level of indebtedness exceeding \$34 trillion, the White House announced a new scheme to cancel even *more* student loans last week.

President Biden's socialist spending agenda continues to bankrupt the country through supercharging our entitlement culture and sentencing our children to a life of bills they'll never be able to pay.”



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.

