



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Chairman Arrington, Chairwoman Foxx Demand Transparency on the Cost of Biden's Newest Student Loan Bailout Scheme

WASHINGTON, D.C. – Today, House Budget Committee Chairman Jodey Arrington (R-TX) and House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC) sent a [letter](#) to U.S. Department of Education Secretary Cardona requesting answers and documents related to the Biden administration's latest student loan bailout plan.

The letter reads in part,

“The Congressional Budget Office estimated the President’s loan cancellation policy alone would have cost taxpayers over **\$330 billion**. Further, his six unwarranted extensions of the repayment pause have increased the deficit by **\$165 billion**. Coupled with illegal waivers, expansive regulations, and as much as **\$558 billion** in new spending as a result of the administration’s radical SAVE repayment plan, this administration has attempted to spend an **unprecedented \$1 trillion on loan “forgiveness”** during its first three years in office – **all without congressional approval**.

The Department’s latest student loan bailout attempt will, like its prior actions, ***result in significant costs to working-class Americans***. While the Department claims these illegal actions are narrowly targeted, the regulatory draft text indicates the newest plan is **expansive and in direct conflict with federal statute.**”

The joint letter calls on the Department of Education to respond to two questions that will aid both the Budget and Education and the Workforce Committees in their oversight responsibilities including:



- 1) Has the administration produced cost estimates for each of its proposals considered during the regulatory convenings and, if so, does the administration plan to make these estimates public? If not, please provide the Department's rationale from hiding the costs of its actions from the American people.
- 2) When does the administration plan to release more details about this so-called "financial hardship" waiver, and will these details include the costs of the proposed actions?

The letter also serves as a request to preserve all existing and future records relating to the addressed topics.

House Budget Committee Chairman Jodey Arrington looks forward to continuing to work with Education and the Workforce Committee Chairwoman Virginia Foxx on restoring fiscal responsibility to higher education policies in America.

Click [HERE](#) to read the letter.

Background:

- **August 22, 2022:** Using a flawed interpretation of a 2003 law meant to provide time-limited relief to military members following 9/11, 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 the non-partisan Congressional Budget Office.
- **June 30, 2023:** President Biden responded to the Supreme Court's decision in *Biden v. Nebraska* striking down the administration's student loan bailout scheme by announcing additional student loan schemes, including a finalized IDR 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 student loan bailout scheme.
 - Since its creation, this committee has convened three sessions, receiving input from the Department of Education in the form of draft regulatory text prior to each meeting.
 - A proposed rule on President Biden's second student loan bailout is expected in [May 2024](#).

