

IN CASE YOU MISSED IT

President Biden's Student Loan Scheme *Could Cost Taxpayers \$1.4 Trillion*

President Biden's continued student loan "cancellation" [scheme](#) not only incentivizes skyrocketing tuition but also punishes working-class taxpayers, exacerbating our nation's debt and deficit crisis in the process.

A new analysis from the Committee for a Responsible Federal Budget (CRFB) [projects](#) that President Biden's student loan cancellation plans could cost taxpayers a combined **\$870 billion** to **\$1.4 trillion**.¹



WORD ON THE STREET



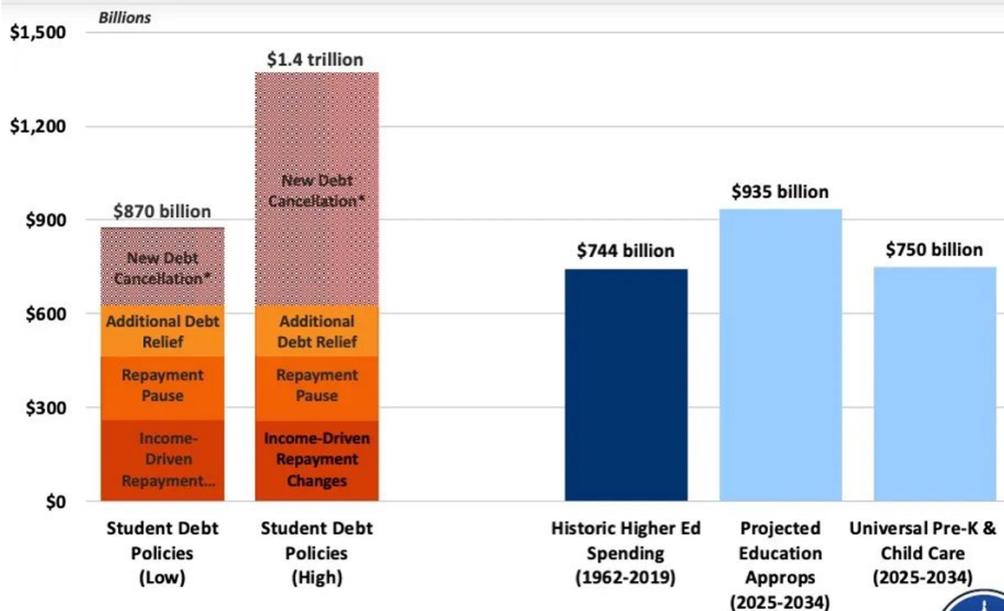
Via [CRFB](#):

- *"To put **\$870 billion** to **\$1.4 trillion** in further context, this range suggests the cost of recent debt cancellation is likely higher than:*
- ***All** historic spending on higher education prior to the COVID-19 pandemic (\$744 billion from 1962 to 2019)*
- ***All** projected education appropriations over the next decade (\$935 billion from 2025-2034)*
- *The federal cost of offering universal pre-K **and** universal affordable child care (\$750 billion)*
- *The cost of **tripling** the Pell Grant program (\$675 billion)"*

¹ This estimate does not include Biden's \$330 billion student loan bailout plan that was found unconstitutional by the U.S. Supreme Court last summer.



Debt Cancellation is Extremely Costly



Sources: Congressional Budget Office, Office of Management and Budget, and Committee for a Responsible Federal Budget.

*Estimates are rough and will change as more information becomes available.



THE BOTTOM LINE

Make no mistake – President Biden is not “forgiving” loans; he’s transferring the debt from borrowers who willingly took out student loans onto the backs of working-class taxpayers who did not.

Here’s how President Biden unilaterally shifted the cost of higher education onto those who can least afford it:

- More than **60 percent** of Americans do not have a college degree.
- **87 percent** of adults without student loans will be forced to pay for the **13 percent** who do.
- **56 percent** of all student loan debt is owed by the **14.3 percent** of individuals with graduate degrees.



BIDEN'S STUDENT LOAN SCHEME:

Timeline of Major Events

August 22, 2022

Using a flawed interpretation of a 2003 law meant to provide time-limited relief to military members following 9/11, Biden announces his Administration would cancel \$10,000 of student loan debt per borrower and \$20,000 for Pell Grant recipients.

June 3, 2023

The bipartisan Fiscal Responsibility Act of 2023 ensures emergency student loan repayment pauses cannot be further extended, marking October 2023 as to when payments will resume.

June 30, 2023

President Biden responds to the Supreme Court's decision by announcing additional student loan schemes, including a finalized rule, the so-called "SAVE plan" that changes the originally target income driven repayment program to one in which 91 percent of new student debt would be eligible for reduced payments and eventual transfer to taxpayers.

April 8, 2024

In Madison, Wisconsin, President Joe Biden announces his latest plan to circumvent Congress and unilaterally wipe away student debt for millions of borrowers.

January 20, 2021

Biden promises to "forgive all undergraduate tuition-related federal student debt from two- and four-year public colleges and universities and private Historically Black Colleges and Universities and Minority Serving Institutions for debt-holders earning up to \$125,000."

November 22, 2022

The Department of Education extends the emergency student loan repayment pause for an eighth time since the beginning of the COVID-19 pandemic in March 2020, despite the President claiming in September 2022 that the "pandemic was over."

June 30, 2023

The U.S. Supreme Court finds President Biden's student loan bailout plan unconstitutional.

October 2023

Student loan repayment pause lifted.

To date, President Biden has cancelled \$153 billion worth of student debt for 4.3 million borrowers



MORE FROM THE HOUSE BUDGET COMMITTEE ON BIDEN'S STUDENT LOAN SCHEME

In stark contrast, the [House Budget Committee's FY 2025 "Reverse the Curse" Budget Resolution](#) protects taxpayer dollars and calls for ending current and future student loan bailouts.

Click [HERE](#) for Chairman Arrington's statement when President Biden announced this student loan scheme.

Click [HERE](#) for Chairman Arrington's statement when the Department of Education released its first set of draft rules for President Biden's next attempt to cancel student loan debt.

Click [HERE](#) to read about FAFSA Fumbles.

Click [HERE](#) to read about Penn Wharton's analysis of President Biden's student loan bailouts.

Click [HERE](#) for the combined set of documents breaking down the costs of the President's loan 'forgiveness' plans.

Click [HERE](#) for an overview of the Administration's student loan forgiveness plan.

