



CHAIR JODEY ARRINGTON

# HOUSE BUDGET COMMITTEE

## Chairman Arrington on the Supreme Court *Upholding the Pause on the Biden-Harris* Student Loan Scheme

WASHINGTON, D.C. – Today, the Supreme Court unanimously ruled to maintain the pause on the Biden-Harris Administration’s unconstitutional student loan cancellation scheme: the Saving on a Valuable Education ([SAVE](#)) plan.

Since taking office, this Administration has made several attempts to ram through legally questionable policies, trying to spend an unprecedented \$1 trillion on student loan “forgiveness” alone.

Chairman Arrington released the following statement on the Supreme Court’s decision:

### CHAIRMAN ARRINGTON’S STATEMENT

*“Today’s decision by the Supreme Court to keep the Biden-Harris Administration’s reckless student loan bailout on pause is a good sign they’ll ultimately declare it unconstitutional.*

*The so-called “SAVE plan” is a back door loan cancellation on the taxpayers’ dime and, even worse, it forces mainly lower-income individuals to pay off loans of higher-income college students.*

*Kamala Harris should have to answer for this regressive and unfair executive action that will cost taxpayers hundreds of billions of dollars and further drive up college tuition.*



*As our nation stares down an unprecedented debt and deficit crisis, one thing is clear: we cannot afford four more years of a Democrat president.”*

## BACKGROUND

In June 2023, the Biden-Harris Administration responded to the Supreme Court finding their **\$330 billion** student loan scheme unconstitutional by announcing, among other measures, a finalized income-driven repayment (IDR) rule (SAVE Plan).

The SAVE plan changes the originally targeted IDR program to one in which 91 percent of new student debt would be eligible for reduced payments and eventual transfer to taxpayers.

The Congressional Budget Office estimates the SAVE plan will cost taxpayers **\$260.7 billion** over the next decade; outside entities project the price of SAVE could reach **\$475 billion**.

The SAVE plan is just **one of many legally questionable student loan schemes** the Biden-Harris Administration has attempted to force onto taxpayers. In just three years, the Biden-Harris Administration has attempted to spend an unprecedented \$1 trillion on loan “forgiveness.”

The Administration’s student loan schemes not only circumvent Congress: they incentivize skyrocketing tuition but also punish working-class taxpayers, exacerbating our nation’s debt and deficit crisis in the process.

## THE BOTTOM LINE

In just three years, the Biden-Harris Administration has attempted to spend an unprecedented **\$1 trillion** on loan “forgiveness” in a clear circumvention of Congress. This includes:

- August 2022 - President Biden’s unconstitutional student loan bailout, which the CBO projected would have cost taxpayers more than **\$330 billion**.



- November 2022 – The President’s six unwarranted extensions of the pandemic student loan repayment pause, which increased the deficit by [\\$165 billion](#).
- June 2023 – The Administration’s so-called “SAVE Plan,” which could cost taxpayers as much as [\\$558 billion](#) over the next decade.
- April 2024 – Administration unveils five new student loan provisions, which according to CRFB analysis could total [\\$750 billion](#).

President Biden’s **FY 2025 budget proposal doubles down on these student loan bailouts**, requesting **\$290.3 billion to “reduce the cost of and expand access to postsecondary education, and training.”** including \$90 billion for “free community college.”

In stark contrast, [House Budget Committee’s FY 2025 “Reverse the Curse” Budget Resolution](#) protects taxpayer dollars by ending current and future student loan bailouts.

## MORE FROM THE HOUSE BUDGET COMMITTEE

***Read*** Chairman Arrington’s statement when President Biden announced this student loan scheme [HERE](#).

***Read*** about FAFSA Fumbles [HERE](#).

***Read*** about *PWBM’s analysis of President Biden’s student loan bailouts* [HERE](#).

