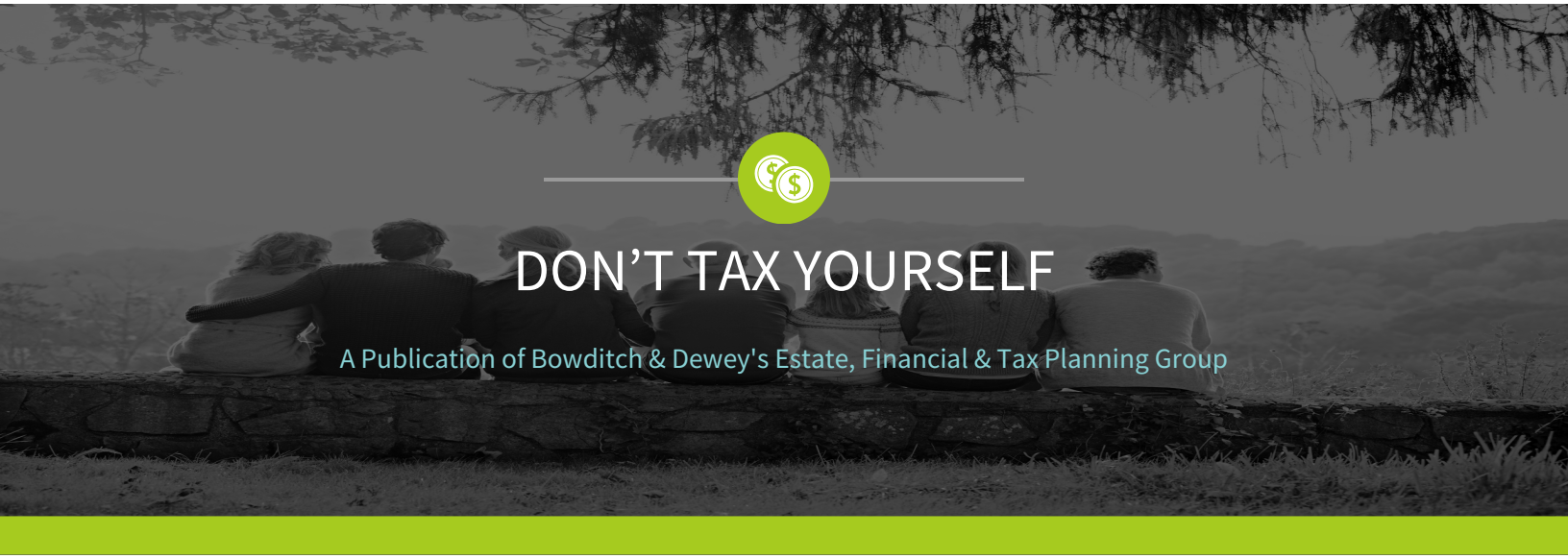

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Student Loan Debt Relief Is Stalled

BY KATHERINE R. DORVAL • DECEMBER 20, 2022

In August, the Biden administration announced a plan for the cancellation of federal student loan debt for many borrowers. Although 26 million borrowers have applied for student loan forgiveness, the federal relief program has stalled due to the lawsuits brought by several conservative states, such as Arkansas, Iowa, Kansas, Missouri, Nebraska, South Carolina and Texas.

The Department of Education has stopped accepting applications for student loan debt relief due to the lawsuits that have been filed challenging the federal relief program. Various courts, including the 8th and 5th Circuits for the U.S. Court of Appeals, have issued orders blocking the loan forgiveness or have refused to overturn such decisions. Borrowers who have already submitted their applications have received the following email from Miquel A. Cardona, the U.S. Secretary of Education:

"Unfortunately, a number of lawsuits have been filed challenging the program, which have blocked our ability to discharge your debt at present. We believe strongly that the lawsuits are meritless, and the Department of Justice has appealed on our behalf. We will keep your application information and will continue our review of your eligibility if and when we prevail in court. We will update you when there are new developments."

The Supreme Court has agreed to weigh-in on the issue and oral arguments will be heard in February of 2023. With the Supreme Court currently stacked with conservative justices, struggling student borrowers may have little hope for ultimate relief, but anything is possible. We will all be watching closely to see how this political game plays out in 2023.

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