

March 23, 2023

The Honorable Suzanne Bonamici  
U.S. House of Representatives  
2231 Rayburn House Office Building  
Washington, DC 20515-3701

Dear Congresswoman Bonamici:

On behalf of our 3 million members and the 50 million students they serve, we would like to submit the comments below for the record of today's hearing on the implications of President Biden's student loan policies. These policies have a direct bearing on the lives of our nation's students and educators, as well as their families.

Overall, we are pleased by recent changes made by the Biden administration. In particular, we commend initiatives to help make higher education more affordable and accessible—specifically, by improving administration of the Public Service Loan Forgiveness program, providing broad student debt relief, and improving income-driven repayment plans.

### **Public Service Loan Forgiveness program**

Part of the bipartisan College Cost Reduction Act of 2007, the Public Service Loan Forgiveness (PSLF) program was created to encourage talented people to pursue careers in education, medicine, and other areas of public service that typically pay less than private sector careers. PSLF promised to forgive any federal student debt remaining after 120 qualifying monthly payments made during 10 years of public service. Until recently, however, that has been an empty promise for the vast majority of applicants. The year before the Biden administration took office, 96 percent of those who sought PSLF were rejected.

The Biden administration has restored the promise of PSLF. In 2021, the Department of Education instituted a temporary PSLF waiver that allowed borrowers to count old payments, late payments, payments on ineligible federal student loans, and payments on different payment plans. Thus far, more than 450,000 public-service workers have received \$31 billion in forgiveness under the temporary waiver. The Department of Education plans to issue final regulations codifying permanent improvements soon.

### **Broad student debt relief**

For decades, we have struggled with a student debt crisis that crushes the dreams of millions of Americans. Student debt relief is just, necessary, and legal.

More than 40 million Americans would benefit from the student debt relief plan unveiled by President Biden in August of 2022 as part of efforts to help the nation recover from the COVID-19 pandemic. The plan calls for the Department of Education to cancel up to \$20,000 in federal student debt for borrowers earning less than \$125,000 per year (\$250,000 for households). We are dismayed that several court orders have paused the plan, leaving in limbo the 26 million people who have applied—

and the 16 million already approved.

NEA filed an [amicus brief](#) in *Biden v. Nebraska* and *Department of Education v. Brown*, arguing that the Biden administration's life-changing student debt relief plan is a valid exercise of authority granted to Education Secretary Miguel Cardona by Congress.

### **Better income-driven repayment plans**

The monthly payments on student loans required by current income-driven repayment plans are too big a stretch for many educators. Earlier this year, the Department of Education announced that it is working to implement a new income-driven plan for undergraduate loans that addresses this issue.

The new plan will increase the amount of protected income and require borrowers to pay no more than 5 percent of their discretionary income—down from 10 percent under current plans. In addition, it will reduce the total amount of time needed by most borrowers to pay off their loans and ensure that total balances do not grow due to interest charges, as long as the borrower continues to make monthly payments. With this change, according to White House estimates, a teacher with an undergraduate degree earning \$44,000 a year would pay \$56 a month on their loans—compared to the \$197 they pay now. We look forward to the introduction of the plan later this year.

NEA thanks the committee for the opportunity to submit these comments.

Sincerely,

Marc Egan  
Director of Government Relations  
National Education Association