

Adams, Pressley, Omar, Waters Introduce Bold Resolution Calling on President-Elect Biden to Cancel \$50,000 in Federal Student Loan Debt



From Alma Adams Press <sam.spencer@mail.house.gov>
To <sjohnston@tuesdayforumcharlotte.org>
Reply-To <sam.spencer@mail.house.gov>
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Resolution Outlines Existing Executive Authority to Cancel Federal Student Loan Debt

Cancellation Would Reduce Racial Wealth Gap, Stimulate Economy, and Provide Much-Needed Economic Relief Amid Pandemic

[Resolution \(PDF\)](#) | [One Pager \(PDF\)](#)

WASHINGTON – Today, **Congresswomen Alma Adams (NC-12), Ayanna Pressley (MA-07), Ilhan Omar (MN-05), and Maxine Waters (CA-43)**, Chair of the House Financial Services Committee introduced a resolution outlining a bold plan for President-elect Joe Biden to cancel up to \$50,000 in Federal student loan debt for student loan borrowers using existing legal authority under the Higher Education Act.

The resolution, which outlines a pathway for the President-elect to use executive authority to cancel student loan debt while ensuring cancellation does not result in any tax liability for Federal student loan borrowers, is the House companion to [Senate Resolution 711](#), introduced by **Senate Minority Leader Chuck Schumer (D-NY)** and **Senator Elizabeth Warren (D-MA)** earlier this year. Original co-sponsors of the House resolution include **Congresswomen Madeleine Dean (PA-04), Pramila Jayapal (WA-07), Barbara Lee (CA-13) and Jahana Hayes**

(CT-05).

“The incoming Biden-Harris Administration has the opportunity to change lives and jumpstart our economy on day one by cancelling \$50,000 in student loan debt,” said Congresswoman Adams. “These loans are holding American families back from buying houses, cars, and opening small businesses. Student loan debt prevents young families from building and creating wealth that they can pass down to their children and grandchildren – a freedom that historically has been denied to Black Americans in this country. Starting on January 20, it’s up to us to rebuild the bridge to the middle class for millions of Americans. Let’s start by cancelling the debt.”

“The student debt crisis is a racial and economic justice issue and we must finally begin to address it as such. Broad-based student debt cancellation is precisely the kind of bold, high-impact policy that the broad and diverse coalition that elected Joe Biden and Kamala Harris expect them to deliver,” said Congresswoman Pressley. “As we work to fight for meaningful economic relief for workers and families that meets the scale and scope of the crisis we face, canceling student debt is one of the most effective ways to provide direct relief to millions, help reduce the racial wealth gap, stimulate our economy, and begin to deliver an equitable and just recovery. On day one of his Administration, President-elect Biden will have the executive authority to cancel billions in student debt with the stroke of a pen. This resolution lays out a plan for him to do exactly that.”

“Over 90 percent of student debt is held by the federal government, which President-elect Joe Biden can cancel with the stroke of a pen,” **said Congresswoman Omar.** “Young people have been devastated by this economic crisis, with more than half living with their parents. Student debt cancellation would be a massive economic stimulus at a time when people desperately need it. It’s also a racial equity issue. Students of color are more likely to take out federal student loans, and face higher rates of default. That’s why I introduced the Student Debt Cancellation Act last year, and have called on leaders to make student debt relief a centerpiece of a coronavirus response package. It’s why a majority of the country supports student debt relief. And it’s why leaders from both Houses of Congress for substantial relief. Student debt cancellation isn’t just an economic priority, it is a moral necessity.”

“As the student debt crisis continues to grow more urgent and the COVID-19 pandemic crisis continues to impact our communities and economy, the need to provide relief to student loan borrowers buried under mountains of debt is critical,” said Chairwoman Maxine Waters. “As a leader on this issue, I held a Financial Services Committee hearing last year on the student debt crisis and its adverse impact on individuals, families, and the economy. I helped to secure critical protections for student borrowers, including a pause on student loans during the pandemic, and advocated for legislation to help borrowers affected by the student

debt crisis. Most recently, I wrote to President-elect Biden to recommend that he issue an executive order to promptly forgive up to \$50,000 of debt for each student borrower and I am so pleased to join with Congresswomen Pressley, Adams, and Omar, who have all been critical voices in this fight, to address this crisis. I cannot overstate the importance of this resolution and the need for the Biden Administration to take bold action and deliver on this mandate from the people on day one.”

Long before the COVID-19 crisis, 45 million Americans were being crushed under the weight of an unprecedented \$1.6 trillion student loan debt crisis. The unequal burden of the student debt crisis has disproportionately fallen on Black and Latinx borrowers who, as a result of generations of systemic racism and predatory policies, have been locked out of wealth building and have been forced to take on more debt, more often, just for a chance at the same degree as their white peers. The student debt crisis is both a racial and economic justice crisis, and student debt cancellation is bold, responsive policy that will help ensure the economic recovery strategy will prioritize workers and families and reduce the longstanding racial wealth gap.

Specifically, the resolution:

- Recognizes the Secretary of Education’s broad administrative authority to cancel Federal student loan debt.
- Urges the President to take executive action on day one of his Administration to cancel \$50,000 in Federal student loan debt per borrower using the current legal authorities already granted by Congress.
- Calls on the President to use existing authorities to prevent debt cancellation from resulting in a tax bill for borrowers.
- Encourages the President to ensure that administrative debt cancellation helps to close racial wealth gaps.
- Urges the President to extend the current payment relief on all Federal student loan payments and interest for the duration of the COVID-19 pandemic.

“Millions of borrowers had faced crushing burdens because of student loan debt now made worse by the economic devastation of COVID-19,” **said Randi Weingarten, President of the American Federation of Teachers.** “As a result too many are choosing between loan payments, and housing, food, and medication. Four years of mismanagement of the Public Service Loan Forgiveness Program and the ongoing nightmare of corporate servicers who have made huge profits off federal student loan debt has turned higher education financing into a business venture for the United States. Administrative student debt cancellation would be a game-changer for borrowers across the country, and an important first step in President-Elect Biden’s effort to help families recover.”

“Student Debt cancellation is a racial justice issue since Black and Brown borrowers face the greatest hurdles when it comes to access, affordability, and retention in higher education,” **said Tiffany Loftin, National Director, Youth and College Division, NAACP.** In order to make education a right, we need radical policy that addresses the needs of 44.7 million people who are shackled by debt, that starts with cancellation now.”

“We applaud Representative Ayanna Pressley and allies in Congress for urging President-elect Joe Biden to use existing authority to cancel student debt. A nationwide, grassroots movement has called for debt cancellation for years and we are closer to permanent relief than ever before. The leadership and support of champions in Congress couldn't come at a more important time,” **said Natalia Abrams, executive director of the nonprofit advocacy organization Student Debt Crisis.** “As the COVID-19 pandemic grows, far too many people are choosing between student loan payments and making rent, putting food on the table, and keeping the lights on. President-elect Joe Biden can change that. Canceling student debt will provide much-needed financial relief for individuals and boost the economy for years to come. It will also help close the racial wealth gap that is widening due to the disparate impact of the pandemic. And, as Representative Pressley reminds us, the president-elect can do all of this on Day One using executive action.”

“**Canceling student debt not only would be a lifeline to 45 million people, some of whom are struggling under the weight of their debt, it would help build a more robust economy,**” **said Remington A. Gregg, Counsel for Civil Justice and Consumer Rights at Public Citizen.** “It's supported by a majority of Americans. And it makes good on the commitment so many leaders have made over the past year to focus on racial equity by working to close the racial wealth gap and giving Black and Brown borrowers a real chance to succeed.”

“We need to acknowledge that our student loan system is fundamentally broken and the first step to repair it is through across-the-board debt cancellation,” **said Ashley Harrington, Federal Advocacy Director and Senior Counsel at the Center for Responsible Lending.** “We applaud Congresswoman Pressley and Congresswomen Omar, Adams, and Chairwoman Maxine Waters for introducing this important legislation and supporting the urgent need for administrative debt cancellation. The time has come for a new Administration to prevent further financial devastation for those who are disproportionately struggling the most under the weight of their student debt burden, Black borrowers and communities of color.”

“We applaud Representatives Ayanna Pressley, Ilhan Omar, Alma Adams and House Financial Services Chairwoman Maxine Waters for their leadership fighting for the economic needs of millions of families,” **said Alexis Goldstein, senior policy analyst at Americans for Financial Reform.** “No type of consumer debt is more widely held by the government than federal student loans.

Cancelling federal student debt is a critical tool the government has to provide more funds for basic household needs when so many are on the precipice of financial ruin.”

"From big cities to small towns, one constant is the crushing weight of student debt," **said Student Borrower Protection Center Executive Director Seth Frotman.** "With the stroke of a pen, President-elect Biden has a once-in-a-generation opportunity to cancel student debt and improve the lives of tens of millions of Americans."

"We applaud Congresswomen Pressley, Omar, Adams and Chairwoman Maxine Waters in calling on cancellation of up to \$50,000 in federal student loan debt which is caused by a system that has been inequitable and broken for decades. Student loan debt disproportionately burdens Black and Brown Americans and exacerbates the racial wealth gap. Abusive debt collection practices take funds like the Earned Income Tax Credit from borrowers' safety nets and garnish borrowers' wages, making it even harder for those who need every penny to put food on their families' tables and contribute to their local economies. Student debt cancellation is urgently needed on Day 1," **said Persis Yu, director of the National Consumer Law Center's Student Loan Borrower Assistance Project.**

"We can empower a generation, stimulate the economy, and begin to close the racial wealth gap on day one by enacting broad student debt cancellation," **said Dr. Kyle Southern, Policy and Advocacy Director, Higher Education and Workforce.** "Taking this action is critical to advancing an equitable economic recovery. The compounding impact of systemic racism and gender discrimination on student borrowers who are Black, Latinx, and women means they incur more debt out of necessity and take longer to repay that debt. Currently, women borrowers hold two-thirds of all student debt. Broad student debt cancellation would substantially boost Black, Latinx, and women-led households, help close the racial wealth gap, and avert default."

Congresswomen Adams and Pressley have been leading the legislative fight for broad student debt cancellation. **Reps. Adams, Pressley, and Omar** have [repeatedly led their colleagues in calling on House leadership](#) to include student debt cancellation in any COVID relief package. In March, Pressley and Omar introduced the [Student Debt Emergency Relief Act](#), legislation to cancel student loan debt and shield borrowers from any involuntary payments and garnishment during the COVID-19 crisis.

Congresswoman Alma Adams represents North Carolina's 12th Congressional District (Charlotte) and serves as Vice Chair of the House Committee on Agriculture. Additionally, she serves on the House Financial Services Committee and the House Education & Labor Committee, where she serves as Chair of the Workforce Protections Subcommittee.

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Sam Spencer
Communications Director
Congresswoman Alma S. Adams, NC-12
2436 Rayburn House Office Building Washington, DC 20515
Phone: 202-225-1510 Fax: 202-225-1512

Connect with us



Office of Congresswoman Alma Adams | 801 E. Morehead St, Suite 150, Charlotte, NC 28202
Phone: 704-344-9950

[Unsubscribe sjohnston@tuesdayforumcharlotte.org](mailto:sjohnston@tuesdayforumcharlotte.org)

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Sent by sam.spencer@mail.house.gov