

Congress of the United States
Washington, DC 20510

March 31, 2022

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

We are writing to urge you to act now to extend the pause on federally-held student loan payments until at least the end of the year and to provide meaningful student debt cancellation. White House Chief of Staff Ron Klain's recent comments about potentially extending the payment pause and administratively canceling student loan debt are encouraging to millions of borrowers across the country.¹ Although there may be different ideas about the best way to structure cancellation, we all agree that you should cancel student debt now.

The payment pause has been a significant federal investment throughout the pandemic, providing essential relief to millions of families during the economic and public health crisis and saving them an average of \$393 per month.² Borrowers have benefited greatly from the ongoing payment pause, taking the opportunity to pay down other debt, relieve financial pressures from lost jobs or decreased earnings, and support their families' needs.³ Restarting repayment will financially destabilize many borrowers and their families, and will cause hardship for many who could not afford repayment. Most borrowers are not financially prepared to shoulder another bill as they face skyrocketing costs for necessities like food and gas.⁴

While the payment pause on federally held student loans has provided essential temporary relief to families, it does not permanently address the student loan crisis. Forty-three

¹ Politico, "Klain: White House may extend freeze on student loan payments again," Michael Stratford, March 4, 2022, <https://www.politico.com/news/2022/03/04/white-house-freeze-student-loan-payments-00014111>.

² Letter to Leader Schumer and Senator Warren from Alf Bustamante, November 29, 2021, [https://www.warren.senate.gov/imo/media/doc/Economic%20Impact%20of%20Student%20Loan%20Payment%20Pause%20-%20Roosevelt%20Institute%20\(1\)1.pdf](https://www.warren.senate.gov/imo/media/doc/Economic%20Impact%20of%20Student%20Loan%20Payment%20Pause%20-%20Roosevelt%20Institute%20(1)1.pdf).

³ Wall Street Journal, "A Year Without Student-Loan Payments," Amber Burton and Julia Carpenter, March 20, 2021, <https://www.wsj.com/articles/a-year-without-student-loan-payments-11616252402>.

⁴ The Hill, "Rising inflation adds pain to student loan debt," Alex Gangitano, Aris Folley, and Sylvan Lane, January 14, 2022, <https://thehill.com/policy/finance/589797-rising-inflation-adds-pain-to-student-loan-debt>.

million people are burdened with roughly \$1.6 trillion in student debt,⁵ and 4.4 million borrowers have been in repayment for over 20 years.⁶ Approximately nine-in-ten borrowers are not financially secure enough to restart payments in May and many cannot afford necessities their families depend on, like rent and healthcare.⁷ Borrowers choosing between paying for basic needs or their student loans often refer to their debt as a life sentence that will hamper their futures for decades.⁸ As your administration works towards rebuilding a more equitable and just economy, it should use its administrative powers to address this crisis and permanently relieve the millions of borrowers struggling with this debt. Canceling a meaningful amount of student debt will provide long-term benefits to individuals and the economy, helping families buy their first homes, open a small business, or invest in their retirement. More broadly, canceling student debt would add tens of billions of dollars in GDP growth.⁹

Canceling student debt is one of the most powerful ways to address racial and economic equity issues. The student loan system mirrors many of the inequalities that plague American society and widens the racial wealth gap.¹⁰ Black students in particular borrow more to attend college, borrow more often while they are in school, and have a harder time paying their debt off than their white peers.¹¹ They are more than three times as likely to go into default within four years on their federal loans as white borrowers¹² – and face wage garnishment, tax refund withholding, and federal benefit offsets.¹³ While Latino borrowers often have lower loan balances than their white peers, they are more likely to struggle in repaying their loans, and have some of the lowest post-education earnings among all racial or ethnic groups.¹⁴ For example,

⁵ Teen Vogue, “If Democrats Want Young Voters to Turn Out, They Must Act on Student Debt,” Maggie Bell, February 24, 2022, <https://www.teenvogue.com/story/new-georgia-project-student-debt>.

⁶ Education Department Responses to Data Request by Senator Warren, April 2, 2021, <https://www.warren.senate.gov/imo/media/doc/Education%20Department%20Response%20to%20Sen%20Warren%20-%20204-8-21.pdf>.

⁷ Student Debt Crisis, “Inflation forcing Americans with student debt to skimp on everyday necessities ahead of payments resuming, survey finds,” press release, February 23, 2022, <https://studentdebtcrisis.org/student-debt-covid-19-survey-5/>.

⁸ Business Insider, “Student loans are a 'lifetime sentence' that 66% of Black borrowers regret taking on,” Ayelet Sheffey, October 20, 2021, <https://www.businessinsider.com/student-loan-debt-lifetime-sentence-black-borrowers-regret-2021-10>.

⁹ *Id.*

¹⁰ Student Borrower Protection Center, “New Report Finds Severe Racial Disparities for Student Loan Borrowers Across American Cities,” press release, June 29, 2020, <https://protectborrowers.org/new-report-finds-severe-racial-disparities-for-student-loan-borrowers-across-american-cities/>.

¹¹ Brookings, “A regressive student loan system results in costly racial disparities,” Louise Seamster and Alan Aja, January 24, 2022, <https://www.brookings.edu/blog/how-we-rise/2022/01/24/a-regressive-student-loan-system-results-in-costly-racial-disparities/>.

¹² Brookings, “Black-white disparity in student loan debt more than triples after graduation,” Judith Scott-Clayton and Jing Li, October 20, 2016, <https://www.brookings.edu/research/black-white-disparity-in-student-loan-debt-more-than-triples-after-graduation/>.

¹³ Student Borrower Protection Center, “New Report Finds Severe Racial Disparities for Student Loan Borrowers Across American Cities,” press release, June 29, 2020, <https://protectborrowers.org/new-report-finds-severe-racial-disparities-for-student-loan-borrowers-across-american-cities/>.

¹⁴ Unidos US, “Latinos in Higher Education: Student Loan Repayment,” March 2019, https://www.unidosus.org/wp-content/uploads/2021/07/studentloanrepayment_brief_32519.pdf.

even when controlling for educational attainment, Latinos with bachelor’s degrees earn 21% less than their white peers do. When looking at disparities in default, twenty percent of Latino borrowers defaulted on their student loans compared to 13% of white borrowers six years after starting college.¹⁵ On top of that, communities of color have also had higher rates of illness and death from COVID-19 throughout the pandemic.¹⁶ Student debt cancellation must be one of the key actions in your comprehensive approach to advance equity as our nation works to rebuild a stronger and more equitable economy.

While we applaud your efforts to date – including targeted relief for disabled borrowers, victims of for-profit colleges, and others as well as working to fix existing programs like Public Service Loan Forgiveness¹⁷ – these efforts still leave the majority of federal student loan borrowers out. Right now, your administration has a historic opportunity to repair the damage caused by decades of policy failures, government mismanagement, and industry abuses by extending pandemic relief and canceling student debt. The majority of Americans support you taking action; recent polling shows that over 60% of likely voters support continuing to pause student loan payments and canceling student debt, with support strongest among likely voters of color.¹⁸ Given the fast-approaching deadline for borrowers to resume payments, your administration must act as quickly as possible to extend the pause and make clear to the American public your intention to cancel a meaningful amount of student debt. We look forward to supporting your administration in getting it done.

Thank you for your attention to this important matter.


¹⁵ Roosevelt Institute, “Student Debt Cancellation Is Progressive: Correcting Empirical and Conceptual Errors,” Charlie Eaton, Adam Goldstein, Laura Hamilton, and Frederick Wherry, pp. 13, https://rooseveltinstitute.org/wp-content/uploads/2021/06/RI_StudentDebtCancellation_IssueBrief_202106.pdf.

¹⁶ Kaiser Family Foundation, “COVID-19 Cases and Deaths by Race/Ethnicity: Current Data and Changes Over Time,” Latoya Hill and Samantha Artiga, February 22, 2022, <https://www.kff.org/coronavirus-covid-19/issue-brief/covid-19-cases-and-deaths-by-race-ethnicity-current-data-and-changes-over-time/>.


¹⁷ U.S. Department of Education, “Over 323,000 Federal Student Loan Borrowers to Receive \$5.8 Billion in Automatic Total and Permanent Disability Discharges,” press release, August 19, 2021, <https://www.ed.gov/news/press-releases/over-323000-federal-student-loan-borrowers-receive-58-billion-automatic-total-and-permanent-disability-discharges>; U.S. Department of Education, “Education Department Approves \$415 Million in Borrower Defense Claims Including for Former DeVry University Students,” press release, February 16, 2022, <https://www.ed.gov/news/press-releases/education-department-approves-415-million-borrower-defense-claims-including-former-devry-university-students>; U.S. Department of Education, “U.S. Department of Education Announces Transformational Changes to the Public Service Loan Forgiveness Program, Will Put Over 550,000 Public Service Workers Closer to Loan Forgiveness,” press release, October 6, 2021, <https://www.ed.gov/news/press-releases/us-department-education-announces-transformational-changes-public-service-loan-forgiveness-program-will-put-over-550000-public-service-workers-closer-loan-forgiveness>.


¹⁸ Student Borrower Protection Center, “New Poll: As Joe Biden Addresses the Nation, Voters of Color Overwhelmingly Support Action to Cancel Student Debt, Extend Pause on Student Loan Payments,” press release, February 28, 2022, <https://protectborrowers.org/new-poll-as-joe-biden-addresses-the-nation-voters-of-color-overwhelmingly-support-action-to-cancel-student-debt-extend-pause-on-student-loan-payments/>.

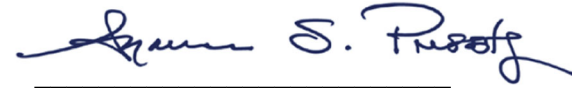
Sincerely,



Elizabeth Warren
United States Senator

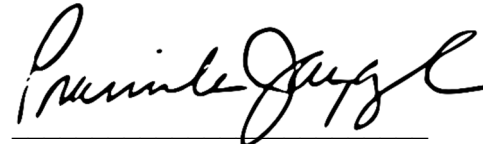

Charles E. Schumer
United States Senator

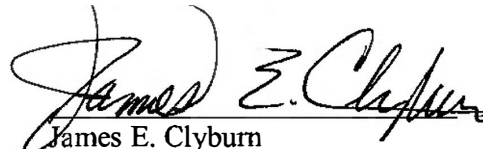

Alex Padilla
United States Senator


Raphael Warnock
United States Senator


Ayanna Pressley
Member of Congress


Ilhan Omar
Member of Congress


Pramila Jayapal
Member of Congress


James E. Clyburn
Member of Congress

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Robert Menendez
United States Senator

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Madeline Dean
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Bernard Sanders
United States Senator

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Steven Horsford
Member of Congress

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Richard Blumenthal
United States Senator

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Jamaal Bowman, Ed.D.
Member of Congress

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Ron Wyden
United States Senator

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Jan Schakowsky
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Barbara Lee
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Mazie Hirono
United States Senator

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Alexandria Ocasio-Cortez
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Cory A. Booker
United States Senator

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Mondaire Jones
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Sherrod Brown
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Grace Meng
Member of Congress

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Tina Smith
United States Senator

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Katherine M. Clark
Member of Congress

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Sheldon Whitehouse
United States Senator

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Nikema Williams
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Chris Van Hollen
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Bonnie Watson Coleman
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Kirsten Gillibrand
United States Senator

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Mark Takano
Member of Congress

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Edward J. Markey
United States Senator

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Jesus G. “Chuy” García
Member of Congress

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Richard J. Durbin
United States Senator

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Jerrold Nadler
Member of Congress

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Tammy Duckworth
United States Senator

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Earl Blumenauer
Member of Congress

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Brian Schatz
United States Senator

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Nydia M. Velázquez
Member of Congress

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Ben Ray Luján
United States Senator

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Frederica Wilson
Member of Congress

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Ro Khanna
Member of Congress

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Yvette D. Clarke
Member of Congress

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Hakeem Jeffries
Member of Congress

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Grace F. Napolitano
Member of Congress

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Rashida Tlaib
Member of Congress

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Andy Levin
Member of Congress

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James P. McGovern
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Raúl M. Grijalva
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Carolyn B. Maloney
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Henry C. “Hank” Johnson Jr.
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Alma S. Adams, Ph.D.
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Ritchie Torres
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Bennie G. Thompson
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Danny K. Davis
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Judy Chu
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Donald M. Payne, Jr.
Member of Congress

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Dwight Evans
Member of Congress

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Adriano Espaillat
Member of Congress

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André Carson
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Peter Welch
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Jimmy Gomez
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Alan Lowenthal
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Cori Bush
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Albio Sires
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Mark DeSaulnier
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Eleanor Holmes Norton
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Katie Porter
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Salud Carbajal
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Paul D. Tonko
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Tom Suozzi
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Sanford D. Bishop, Jr.
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Stephen F. Lynch
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Vicente Gonzalez
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Michael F.Q. San Nicolas
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Anthony G. Brown
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Sheila Cherfilus-McCormick
Member of Congress

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Lucy McBath
Member of Congress