

Administration of Joseph R. Biden, Jr., 2023

Remarks on the United States Supreme Court Decision on the Federal Student Loan Debt Relief Program and an Exchange With Reporters

June 30, 2023

The President. Hello, folks.

Q. Hello, President.

The President. There you go, Mr. Secretary.

Let me begin by saying I know there are millions of Americans—millions of Americans—in this country who feel disappointed and discouraged, or even a little bit angry, about the Court's decision today on student debt. And I must admit I do too.

Before I tell you the steps we're going to take, I wanted to talk about what we've been able—I want to talk about what we've been able to achieve so far on student loan over the past few years.

First, we made the largest increase in Pell grants in over a decade, helping students from families who nearly all make less than \$60,000 a year. Then we fixed the so-called—with the help of the department—Public Service Loan Forgiveness program so that borrowers who got into public service—such as schoolteachers, police officers, social workers, servicemembers—you know, they actually got the debt relief they're entitled to under the law.

Before I came to office, only 7,000 people had benefited from that program. Today, over 600,000 borrowers have received relief from that program. And it's still available. So many people more—so many more people can be helped. And I encourage you to apply, if you haven't already. You're still eligible. Go to studentaid.gov. It matters.

Third, my administration improved a program from the Obama-Biden administration on Income-Driven Repayment Plan. That's what it was referred to as. Back then, we set a limit: Student borrowers would pay no more than 10 percent of their disposable income to pay back their debt in any 1 month—time.

My administration is going to reduce that to 5 percent. It's now the most generous repayment program ever. No one with an undergraduate loan today or in the future, whether from a community college or a 4-year college, will have to pay more than 5 percent of their disposable income to repay their loan. And that's income after you pay for the necessities, like housing, food, and the like.

The typical borrower is going to save about a thousand dollars a year. And if you keep up payments for 20 years without missing them, your total debt is forgiven after 20 years. That's what the program was before, but we've just reduced it 5 percent.

In addition to that, last year, I announced my student debt relief plan, a plan that was on the verge of providing more than 40 million Americans with real debt relief: up to \$10,000 for many borrowers and up to \$20,000 for those who had gotten a Pell grant. Nearly 90 percent of their relief would have gone to borrowers—90 percent of it—making less than \$75,000 a year. And no one—no one—making over \$125,000 would qualify.

This program was all set to begin. The website had been set up. The applications had been simplified so that it took less than 5 minutes to complete. Notices had been sent out to people about the relief they were eligible for. Sixteen million people—16 million people—had already been approved. The money was literally about to go out the door.

And then, Republican elected officials and special interests stepped in. They said no—"no"—literally snatching from the hands of millions of Americans thousands of dollars in student debt relief that was about to change their lives.

You know, these Republican officials just couldn't bear the thought of providing relief for working class and middle class Americans. Republican State officials sued my administration, attempting to block relief, including for millions of their own constituents. Republicans in Congress voted to overturn the plan. I think every one. I don't think I had any Republican votes for this plan.

At the same time, think about this: We all supported the Paycheck Protection Program—remember?—PPP—you know, which was designed to help businessowners who lost money because of the pandemic. It was a worthy program.

But let's be clear: Some of the same elected Republicans, Members of Congress who strongly opposed giving relief to students, got hundreds of thousands of dollars themselves in relief—Members of Congress—because of the businesses they were able to keep open.

Several Members of Congress got over a million dollars. All those loans were forgiven. You know how much that program cost? Seven hundred and sixty billion dollars. My program is too expensive? Three hundred and sixty billion dollars more than I proposed in my student debt relief program.

I was trying to provide students with \$10- to \$20,000 of relief. By comparison, the average amount forgiven in the PPP—the pandemic loan program—average amount forgiven was \$70,000.

Now, a kid making 60,000 bucks, trying to pay back his bills, asking for \$10,000 in relief—come on. The hypocrisy is stunning. You can't help a family making 75 grand a year, but you can help a millionaire and you have your debt forgiven?

My plan would not only have life—been life-changing for millions of Americans, it would have been good for the American economy. Freeing millions of Americans from the crushing burden of student debt, more homes would have been bought, more businesses would have been started, more couples would have had the confidence to start a family. Millions of people would have felt they could get on with their lives.

These Republicans blocked all that. Now, in addition to the hypocrisy, some of these Republicans in Congress are shamelessly pushing to advance a bill in the coming weeks that gives hundreds of billions of dollars in tax breaks and handouts to the wealthiest Americans. They still haven't given up on making permanent a \$2 trillion tax cut that they never paid for. Never paid for. Two trillion dollars.

So let me be clear: For Republicans in Congress, this is not about reducing the deficit, it's not about fairness and forgiving loans, it's only about forgiving loans they have to pay. Today the Supreme Court sided with them. I believe the Court's decision to strike down my student debt relief program was a mistake, was wrong.

I'm not going to stop fighting to deliver borrowers what they need, particularly those at the bottom end of the economic scale. So we need to find a new way. And we're moving as fast as we can.

First, I'm announcing today a new path consistent with today's ruling to provide student debt relief to as many borrowers as possible as quickly as possible.

We will ground this new approach in a different law than my original plan, the so-called Higher Education Act. That will allow Secretary Cardona, who is with me today, to compromise, waive, or release loans under certain circumstances.

This new path is legally sound. It's going to take longer, but, in my view, it's the best path that remains to providing for as many borrowers as possible with debt relief.

I've directed my team to move as quickly as possible under the law. Just moments ago, Secretary Cardona took the first step to initially that—to initiate that new approach. We're not going to waste any time on this. We're getting moving on it. It's going to take longer, but we're getting at it right away.

Second, we know what many borrowers will need to make their hard choices, which their budgets are being strained now—when they start to repay their monthly loan payments this fall.

You know, we know that figuring out how to pay these added expenses can take time for borrowers, and they might miss payments at the front end as they get back into repayment.

Normally, this could lead some borrowers to fall into delinquency and default. But without their financial—it would hurt their financial security, and that's not good for them or the economy. That's why we're creating a temporary, 12-month, what we're calling "on-ramp" repayment program.

Now, this is not the same as the student loan pause that's been in effect for the past 3 years. Monthly payments will be due, bills will not go out, and interest will be accruing. And during this period, if you can pay your monthly bills, you should.

But if you cannot, if you miss payments, this "on-ramp" will temporarily remove the threat of default or having your credit harmed, which can hurt borrowers for years to come, because the Department of Education won't refer borrowers. And the reason why that will work: They won't refer borrowers who have missed payments to credit agencies for 12 months to give them a chance to get back up and running.

Let me close with this: Our Republican officials say, "Student loan relief is a giveaway to the privileged." You hear that loud now: "the privileged." [*Laughter*] I love their concern for the privileged.

But I know who student loan borrowers are in this country, and so do all of you: They're the couple putting off having a child until they can find their way to deal with their debt. That's who they are. They're a young—put—putting off buying their first home until they can get out from under their student loans.

Hope on the horizon thanks to the relief that I planned last year, today's Court decision snatched it away from them. I get it. I get it. I hear this. It's—and I'm concerned about it.

But today's decision has closed one path. Now we're going to pursue another. I'm never going to stop fighting for you. We'll use every tool at our disposal to get you the student debt relief you need and reach your dreams.

It's good for the economy. It's good for the country. It's going to be good for you.

Thank you very, very much for listening. We're going to get this done, God willing. Thank you.

Federal Student Loan Debt Relief Program

Q. Mr. President, why did you give millions of borrowers false hope? You've dated—doubted your own authority here in the past.

The President. I didn't give any false hope. The question was whether or not I would do even more than was requested. What I did, I thought was appropriate and was able to be done and would get done. I didn't give borrowers false hope.

But the Republicans snatched away the hope that it was—they were given. And it's real—real—hope.

Thank you.

Q. Mr. President, will you cancel student debt?

U.S. Supreme Court/Presidential Authority

Q. Mr. President, the Court said you overstepped your authority. Did you overstep your authority?

The President. I think the Court misinterpreted the Constitution.

Afghanistan

Q. Mr. President, do you admit failure in Afghanistan? Mistakes? There was a report on the Afghanistan withdrawal, saying there was failure, mistakes. Do you admit there was mistakes during the withdrawal and before?

The President. No, no. All the evidence is coming back. Do you remember what I said about Afghanistan? I said Al Qaida would not be there. I said it wouldn't be there. I said we'd get help from the Taliban. What's happening now? What's going on? Read your press. I was right.

Thanks.

Q. So the report is from the State Department, actually, about the withdrawal.

NOTE: The President spoke at 4:02 p.m. in the Roosevelt Room at the White House.

Categories: Addresses and Remarks : U.S. Supreme Court decision on Federal student loan debt relief program; Interviews With the News Media : Exchanges with reporters, White House.

Locations: Washington, DC.

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