



September 25, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
H-232, The Capitol  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
H-204, The Capitol  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
S-220, U.S. Capitol  
Washington, D.C. 20510

The Honorable Chuck Schumer  
Minority Leader  
U.S. Senate  
322 Hart Senate Office Building  
Washington, DC 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader McConnell, and Minority Leader Schumer:

We write on behalf of a coalition of 30 Higher Ed, Not Debt campaign members and allies, including youth organizations, civil rights groups, labor unions, think tanks, advocacy nonprofits, and consumer and student borrower organizations in support of broad-based student loan debt cancellation.

Congress will play a critical role in the economic stability of public higher education, college students, and student loan borrowers in relief legislation. Urgency continues to mount for your constituents. To avoid the same consequences of the Great Recession, Congress not only needs to substantially increase funding for public higher education, but it must also broadly cancel student loan debt. Solutions for current borrowers must go hand-in-hand with fixes for future students.

There are 43 million Americans who have student debt, and they hold a total of \$1.6 trillion in student loans. The average student loan debt of a recent bachelor's degree graduate who borrowed is \$30,000. Existing disparities between racial and socioeconomic groups of student loan borrowers have only been further laid bare, then exacerbated by the coronavirus recession. Black and Latinx families, low-income individuals, and first-generation,<sup>1</sup> and undocumented<sup>2</sup> borrowers in particular are disproportionately harmed by student debt.

The current suspension of payments on federally-held student loans and halt on involuntary collections ends on December 31, 2020. This creates a cliff where borrowers will need to begin repaying their loans on New Year's Day 2021. If the cliff isn't resolved, low-income borrowers in default are at risk of having their tax refunds seized in 2021; many file their taxes in late January in order to obtain needed funds. Those who graduate in the fall will have a particularly hard time, as they will enter repayment in the

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<sup>1</sup> <https://www.americanprogress.org/issues/education-postsecondary/news/2018/10/16/459394/forgotten-faces-student-loan-default>

<sup>2</sup> <https://genprogress.org/report-removing-barriers-to-higher-education-for-undocumented-students/>



worst job market since 2008. Making borrowers go back into repayment right around the holidays is an implementation and financial disaster in the making.

As one step, Congress must expand Coronavirus Aid, Relief, and Economic Security (CARES) Act provisions on pausing student loan payments and collections, 0 percent interest rates, and qualifying payments toward forgiveness programs. The current payment and collections suspension, issued through Executive Order, also only applies to Department of Education-held loans, leaving out 8 million borrowers. We need legislation to apply this relief to more borrowers and for a longer time period. Any solution to this crisis must include all student loan borrowers, including the 8 million Perkins and Federal Family Education Loan (FFEL) borrowers excluded from CARES relief and all private student loan borrowers.

But this is not enough. Congress needs to take long-term and immediate meaningful action for student loan borrowers. Given the emergency, we need solutions that are simple to implement and get help to recipients right away. Broad student debt cancellation achieves this. Cancelling even a small portion of debt would provide benefits to all borrowers. It would especially help borrowers in default, who are struggling to make ends meet and are disproportionately Black.<sup>3</sup> It would also have a significant stimulating effect on our economy.

We urge the Senate to prioritize broad-based student loan debt cancellation and serious assistance for student loan borrowers in the next stimulus package.

Sincerely,

ABISA

Alianza Nacional de Campesinas

American Association of University Women (AAUW)

American Federation of Teachers

Americans for Financial Reform

Association of Latino Administrators and Superintendents

Association of Young Americans (AYA)

BiNet USA

Center for American Progress

Center for Law and Social Policy (CLASP)

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<sup>3</sup> <https://www.americanprogress.org/issues/education-postsecondary/reports/2019/12/02/477929/continued-student-loan-crisis-black-borrowers>



Demos

East Bay Community Law Center

EDGE Consulting Partners

Equality North Carolina

Generation Progress

Hildreth Institute

Maryland Consumer Rights Coalition (MCRC)

National Center for Lesbian Rights

National Consumer Law Center, on behalf of their low-income clients

National Education Association

National Equality Action Team (NEAT)

National Network for Immigrant and Refugee Rights

National Urban League

National Young Farmers Coalition

NextGen California

PHENOM (Public Higher Education Network of Massachusetts)

Public Citizen

Student Borrower Protection Center

Student Debt Crisis

The Education Trust

Young Invincibles