

COMMONWEALTH OF
MASSACHUSETTS



MAURA HEALEY
ATTORNEY GENERAL

STATE OF NEW YORK



LETITIA JAMES
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February 19, 2021

Hon. Charles E. Schumer
Majority Leader
U.S. Senate
322 Hart Senate Office Building
Washington, D.C. 20510

Hon. Nancy Pelosi
Speaker
U.S. House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

Hon. Mitch McConnell
Minority Leader
U.S. Senate
317 Russell Senate Office Building
Washington, D.C. 20510

Hon. Kevin McCarthy
Minority Leader
U.S. House of Representatives
2468 Rayburn House Office Building
Washington, D.C. 20515

RE: Senate Resolution 46 and House Resolution 100 Calling on the President of the United States to take executive action to broadly cancel Federal student loan debt

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

As the Attorneys General of Massachusetts, New York, Connecticut, Delaware, the District of Columbia, Hawaii, Illinois, Maryland, Minnesota, Nevada, New Jersey, Oregon, Vermont, Virginia, Washington and Wisconsin, we write to express our strongest support for Senate Resolution 46 and House Resolution 100 calling on President Biden to use executive authority under the *Higher Education Act* to cancel up to \$50,000 in Federal student loan debt for all Federal student loan borrowers.

Because we are responsible for enforcing our consumer protection laws, we are keenly aware of the substantial burden Federal student loan debt places on the residents of our states. Our Offices routinely receive complaints from borrowers who are unable to navigate the abstruse and opaque repayment or forgiveness plans available under current law. When borrowers are unable to manage their Federal student loan repayment, the consequences can be catastrophic.

Borrowers may face administrative wage garnishment, and the seizure of Social Security retirement and disability income and the loss of earned income tax credits.

Student loan borrowers were already struggling before the COVID-19 pandemic and recession. Many borrowers already owed more than they originally borrowed. As many as one in five Federal student loan borrowers are in default. Many are unable to manage their debt due to disability, illness, or job loss. A growing number are senior citizens living on low fixed incomes. Struggling borrowers are unable to obtain meaningful relief in bankruptcy because under current law, Federal student loans are not dischargeable except under extremely narrow circumstances.

Many struggling borrowers are victims of predatory for-profit colleges that lure students with false promises and leave them with worthless degrees, few job prospects, and insurmountable debt. Our Offices have expended substantial resources combatting misconduct by for-profit colleges. Through these efforts, we know that students who attend for-profit schools are disproportionately likely to suffer dire consequences from the Federal student loans they obtain to pay their tuition. Significantly, the for-profit school industry has deliberately targeted people of color, who, as a result, are disproportionately represented among students struggling with Federal student loans incurred to attend for-profit schools. Student debt cancellation can substantially increase Black and Latinx household wealth and help close the racial wealth gap.

The existing repayment system for Federal student loans provides insufficient opportunity for struggling borrowers to manage their debts or recover from the current economic crisis. Broad cancellation of Federal student loan debt will provide immediate relief to millions who are struggling during this pandemic and recession, and give a much-needed boost to families and our economy.

Borrowers deserve and desperately need relief from their Federal student loan burden, and they need that relief immediately. The current options for borrowers have proved to be inadequate and illusory. For example, only 2% of borrowers who applied for loan discharges under the Public Service Loan Forgiveness program have been granted a discharge. In addition, efforts by our Offices to obtain student loan discharges for defrauded students – to which students are entitled under existing law – have been stymied by the U.S. Department of Education for years.

We therefore urge you to adopt Senate Resolution 46 and House Resolution 100 calling on President Biden to act swiftly and to discharge up to \$50,000 in Federal student debt owed by each and every Federal student loan borrower. This measure would help remedy predatory practices that have disproportionately harmed people of color, boost our struggling economy, and create a viable future for millions of Americans.

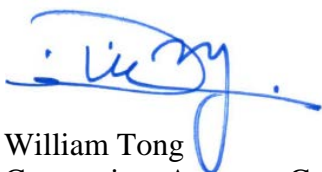
Respectfully Submitted,



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Mark R. Herring
Virginia Attorney General

Bob Ferguson
Washington Attorney General

Josh Kaul
Wisconsin State Attorney General

Thomas J. Donovan Jr.
Vermont Attorney General

CC: Hon. Elizabeth Warren
Hon. Ayanna Pressley