

Congress of the United States

Washington, DC 20515

July 28, 2022

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

The Honorable Miguel Cardona
Secretary of Education
U.S. Department of Education
400 Maryland Ave, SW
Washington, D.C. 20202

Dear President Biden and Secretary Cardona,

In roughly 35 days, on September 1, 2022, tens of millions of federal student loan borrowers are scheduled to resume payments. Despite repeated reports and surveys concerning whether borrowers will be able to pay,¹ we understand the Administration is considering restarting student loan payments at the end of August.² We write today to urge you to extend the pause on student loan payments, given the numerous economic issues facing borrowers across the nation, as well as administrative actions in process by the Department of Education.

For over two years, the Department has provided critical flexibility to millions of federal student loan borrowers by pausing payments, as many have struggled during the COVID-19 pandemic. This much needed pause has helped many borrowers to keep a roof over their heads, secure childcare, and purchase food, health care, and medicine during the course of a pandemic responsible for the deaths of more than 1 million people in the U.S.³ For the first time, many borrowers have had the opportunity to pay down debt, open a savings account, purchase a home, and save for retirement—none of which would have been possible without the payment pause.⁴

Resuming student loan payments would force millions of borrowers to choose between paying their federal student loans or putting a roof over their heads, food on the table, or paying for childcare and health care—while costs continue to rise and while yet another COVID-19 variant increases hospitalizations nationwide. Despite significant decreases over the last month, gas prices are still high, and many borrowers still have to pay exorbitant amounts each week in order to commute to their jobs.⁵ Food prices remain high, as suppliers contend with ongoing supply

¹ U.S. GOV'T ACCOUNTABILITY OFF., GAO-22-104291; COVID-19: SIGNIFICANT IMPROVEMENTS ARE NEEDED FOR OVERSEEING RELIEF FUNDS AND LEADING RESPONSES TO PUBLIC HEALTH EMERGENCIES (2022), <https://files.gao.gov/reports/GAO-22-105291/index.html#appendix8> (identifying that 50% of all federal student loan borrowers are at risk of delinquency when payments restart); CONSUMER FIN. PROT. BUREAU (CFPB), STUDENT LOAN BORROWERS POTENTIALLY AT-RISK WHEN PAYMENT SUSPENSION ENDS (Apr. 14, 2022), <https://www.consumerfinance.gov/data-research/research-reports/student-loan-borrowers-potentially-at-risk-payment-suspension-ends/> (finding that over 15 million borrowers have more than one risk factor that may cause them to struggle to make payments on their student loans).

² See Jeanna Smialek, *Biden White House Keeps Student Loan Payments at Bay Amid Inflation*, N.Y. TIMES (Apr. 6, 2022), <https://www.nytimes.com/2022/04/06/business/economy/student-loan-pause-inflation.html>.

³ See Student Debt Crisis Center, *Inflation Forcing Americans with Student Debt to Skimp on Everyday Necessities Ahead of Payments Resuming, Survey Finds* (Feb. 23, 2022), <https://studentdebtcrisis.org/student-debt-covid-19-survey-5/>.

⁴ See Danielle Douglas-Gabriel, *What the Student Loan Payment Pause has Meant to Black Women*, WASH. POST (Apr. 6, 2022), <https://www.washingtonpost.com/education/2022/04/03/black-women-student-loan-freeze/>.

⁵ See, e.g., Yonah Freemark, *What Rising Gas and Rent Prices Mean for Families with Low Incomes*, URBAN INST. (March 17, 2022), <https://www.urban.org/urban-wire/what-rising-gas-and-rent-prices-mean-families-low-incomes>

chain issues and the war in Ukraine.⁶ We still have a significant childcare crisis throughout the country, which has caused already-high costs to spike to 40% of their pre-pandemic levels.⁷ Low-income borrowers, Black and Brown borrowers, and women borrowers still face severe financial hardships as COVID-19 continues to infect individuals throughout the country and exacerbate existing inequities.⁸

Moreover, resuming student loan payments at this moment would further complicate administrative actions already underway or contemplated by the Department—which could contribute to unnecessary confusion for borrowers in the upcoming months. Currently, many borrowers are in limbo as they await upcoming actions from the Department or their federal student loan servicer—either through the Public Service Loan Forgiveness (PSLF) waiver or through the one-time account adjustments announced by Ed on April 19, 2022 that would count past periods of forbearance or deferment.⁹

Accordingly, we ask that the Administration continue to keep federal student loan payments paused.

Sincerely,



Charles E. Schumer
United States Senator



Robert Menendez
United States Senator

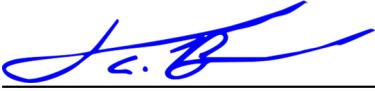
(“For Americans, recent dramatic surges in gas prices and rent have increases the costs of daily life at a quicker rate than wages. Households with low incomes—who are disproportionately people of color—will likely be particularly affected by these changes.”).

⁶ See, e.g., Scott Horsley, *Inflation May be Easing—But Low-Income People are Still Paying the Steepest Prices*, Nat’l Pub. Radio (NPR) (May 11, 2022), <https://www.npr.org/2022/05/11/1097966775/inflation-poor-income-inequality-biden-federal-reserve>.

⁷ Matt Schulz, *U.S. Workers Spend Up to 29% of their Income, on Average, on Child Care for Kids Younger than 5*, LENDING TREE (Mar. 15, 2022), <https://www.lendingtree.com/debt-consolidation/child-care-costs-study/#annualcostsspikeperchildforcenterbasedcareprovidersamidcoronaviruspandemic>.

⁸ See, e.g., Connor Maxwell & Danyelle Solomon, *The Economic Fallout of the Coronavirus for People of Color*, CTR. AM. PROG. (CAP) (Apr. 14, 2020), <https://www.americanprogress.org/article/economic-fallout-coronavirus-people-color/>; Nicole Bateman & Martha Ross, *Why has COVID-19 been Especially Harmful for Working Women?*, BROOKINGS (Oct. 2020), <https://www.brookings.edu/essay/why-has-covid-19-been-especially-harmful-for-working-women/>.

⁹ U.S. Dep’t of Ed., *Department of Education Announces Actions to Fix Longstanding Failures in the Student Loan Programs* (Apr. 19, 2022), <https://www.ed.gov/news/press-releases/department-education-announces-actions-fix-longstanding-failures-student-loan-programs>.



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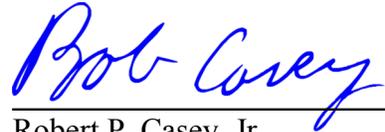
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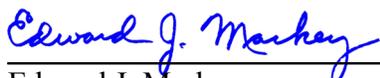
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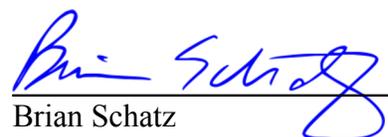
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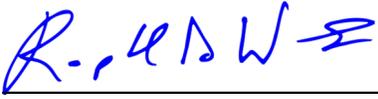
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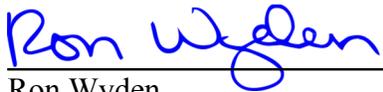
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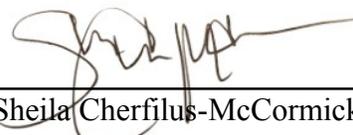
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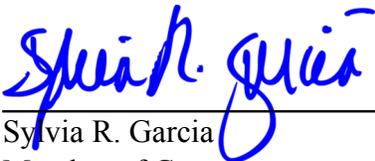
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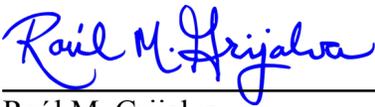
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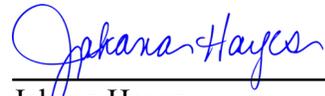
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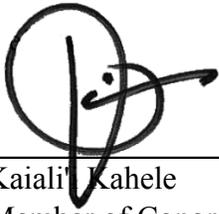
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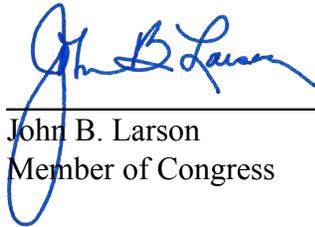
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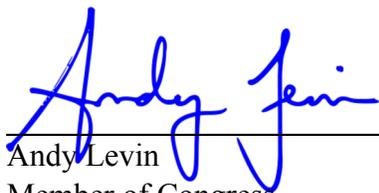
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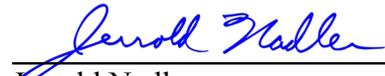
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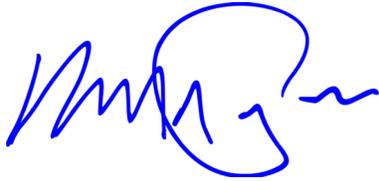
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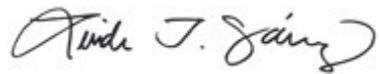
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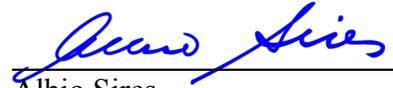
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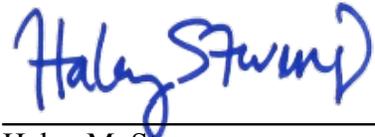
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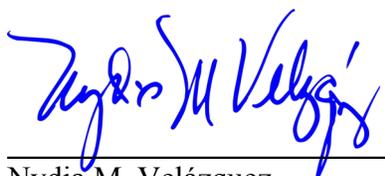
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