Today, in response to reports that the White House is planning to cancel $10,000 in federal student loan debt per borrower earning less than $150,000, Abby Shafroth, director of the National Consumer Law Center’s Student Loan Borrower Assistance Project, issued the following statement:

“We urge President Biden to move forward with student debt cancellation, to make it automatic, to cancel as much debt as possible, and to ensure that cancellation is completed before any borrowers are asked to make payments.

“Canceling federal student loan debt would provide critical relief to low-income families and people of color who are disproportionately burdened by the nation’s student debt crisis, and the Biden Administration should absolutely take action. This bold step is necessary to address a crisis that has resulted from decades of bad policy choices and has now reached historic proportions.

“As an advocate for low-income and disadvantaged borrowers at government rulemakings, I have had a front row seat to past Administrations’ attempts to avert the mounting crisis by tinkering at the margins of the federal student loan system and administering a menu of targeted relief programs that sounded good on paper but that failed to reach people in reality. We are in this crisis today because past technocratic fixes failed. Their failure demonstrated the need for simpler, broader, and bolder action.

“Widespread cancellation holds the promise to deliver relief to the tens of millions of low-income, economically disadvantaged, and vulnerable borrowers who have not been helped by past efforts to alleviate their unaffordable debt burdens.

“In order to ensure that this important debt relief reaches low and moderate income borrowers, it should be automatic, rather than requiring an application. Application requirements have repeatedly prevented half or more of eligible borrowers from accessing existing cancellation programs. Cancellation should also be sufficient in amount to provide meaningful relief to all borrowers, including Black borrowers who shoulder an average of $24,000 more in student loan debt than white students four years after graduating college.”

Additional Resources:

- **Group letter** calling on President Biden to cancel federal student debt immediately via executive action, May 27, 2022
- Abby Shafroth, Op-Ed: “Limiting student loan relief by income sounds sensible - it is not” (The Hill, May 12, 2022)
- Leadership Conference on Civil and Human Rights, **Civil Rights Principles for Student Loan Debt Cancellation** (April 2021)
- NCLC & SBPC, Policy Brief: **Education Department’s Decades-Old Debt Trap: How the Mismanagement of Income-Driven Repayment Locked Millions in Debt** (March 2021)