

Student Loan Borrowers Need Real Relief, Not a COVID Stimulus Plan that Will Bury Them Deeper in Debt

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New Republican Stimulus Bill Fails 43 Million Student Loan Borrowers

Statement of Persis Yu, director of NCLC's Student Loan Borrowers Assistance Project, in response to the COVID-19 stimulus package proposed by Senate Republicans today.

"As Senator Lamar Alexander (R-Tenn.) correctly stated this past week, "[i]n less than three months, 43 million student loan borrowers will be required by law to begin monthly payments again on their loans ... Many of those borrowers won't be able to afford those payments." And yet, while Congress continues to bail out big businesses, the bill introduced today proposes to resume collection of federal student loans on October 1st.

"There is a pandemic still happening. Workers are still unemployed. Schools and child care programs are still closed. It is not yet safe for our economy to fully function. This so-called solution for the millions of student loan borrowers struggling to feed their families and pay their bills is to recreate a less generous, more onerous, and ultimately more expensive version of a student loan repayment program that already exists. This new proposal continues to leave out millions of federal student loan borrowers and is less generous than current income-driven repayment plans, and will be more expensive for borrowers over the long term. This is not relief and fails the 43 million student loan borrowers counting on Congress to act.

"We call on Congress to pass real relief to borrowers as detailed in our recommendations."