

August 11, 2021

The Honorable Nancy Pelosi
Speaker of the House of Representatives
1236 Longworth H.O.B.
Washington, DC 20515

Dear Speaker Pelosi:

As a coalition of community, civil rights, climate, consumer, labor, food and farm, and student advocacy organizations, we were discouraged to hear your comments about student debt cancellation.

Legal scholars have well documented that the Secretary of Education has [clear authority](#) to cancel federal student debt through the Higher Education Act. Further, President Trump and President Biden (for a second time most recently as last week) both cancelled federal student loan debt with the federal student loan payment pause. Non-payments during the suspension were counted as qualifying payments towards Public Service Loan Forgiveness and Income-Driven Repayment forgiveness timelines. Thus, any borrower who received PSLF or IDR forgiveness during the suspension was a beneficiary of debt cancellation through executive action. The broad coalition of organizations calling on President Biden to cancel federal student debt are simply asking that he expand the existing use of authority to benefit more borrowers.

In addition, we were disappointed to hear you raise broader concerns about debt cancellation. Student debt cancellation doesn't simply aid the 44 million federal student loan borrowers who would benefit from this critical relief. It also benefits their families and neighborhoods. Indeed, all of America would benefit. Research has shown that student debt cancellation would:

- [Boost the entire economy](#) up to \$108 billion per year for the next ten years in gross domestic product (GDP) and create 1.5 million new jobs annually;
- Catalyze drastic, positive changes for borrowers, particularly for those in default on their loans. When borrowers' student debt is cancelled, their ability to pay down other debts increases; their geographic mobility and ability to stay in rural communities improves, as do their opportunities to pursue better jobs; and
- Federal student debt cancellation benefits less well off Americans more than the wealthy: a [study](#) from the Roosevelt Institute showed those in lower quintiles of household wealth benefit far more than those in the upper quintiles.
- Promote America's youth to become the educators of tomorrow with realistic loan debt repayment, to improve/create the much needed diverse teacher/educator pipeline.

In addition, as we as a nation reckon with the continuing impact of systemic racism within society, cancelling student loan debt by executive action would be a step to curb racial economic inequality. Twenty years after attending college, the median white borrower had paid

off 95% of their debt while the median Black borrower still owed 95% of their debt. Coupled with the fact that most Black and Brown borrowers have been denied generational wealth building opportunities, student loan debt continues to be a weight holding down many borrowers of color. Cancelling student loan debt would allow borrowers of color to begin saving and building wealth.

As professors and researchers from Brandeis University wrote in 2019, canceling student debt is [likely to lead](#) to “consumer-driven economic stimulus, improved credit scores, greater home-buying rates and housing stability, higher college completion rates, and greater business formation.”

As the Delta variant leads to a spike in COVID cases, and with possible new lockdowns and health protocols expected, and critical relief programs such as enhanced UI and the federal evictions moratorium run out, the administration must use the tools it has to provide relief at this precarious time. Student debt cancellation is a clear, effective way to help 44 million Americans, their families, and communities.

We are heartened by [recent comments](#) from a member of your senior staff clarifying your position that the “Speaker would support the President using any authority he believes he has to address the crisis of student debt in our country.” We believe that once the Department of Justice finishes its analysis of the authorities the President has to cancel student debt that it will conclude, as many legal experts have already, that the President can cancel student debt. We would be happy to meet with you to discuss this in greater detail.

Sincerely,

ACLU
Action Center on Race & the Economy (ACRE)
Alaska PIRG
Alliance for Youth Action
American Association of University Professors
American Association of University Women (AAUW)
Americans for Financial Reform
Appetite For Change
Association of Young Americans (AYA)
Bearfoot Farm in Baltimore
Better Food Foundation
Campaign for America's Future
Center for LGBTQ Economic Advancement & Research (CLEAR)
Center for Responsible Lending
CFPB Union NTEU 335
Church Women United in New York State
Clearinghouse on Women's Issues
Congregation of Our Lady of Charity of the Good Shepherd, U.S. Provinces
Consumer Federation of America
Convencion Bautista Hispana de Texas
Cooperative Baptist Fellowship of Texas

Debt Collective
Delaware Community Reinvestment Action Council, Inc.
Demand Progress Education Fund
Evolve California
Farm Aid
Farm Alliance of Baltimore
Forward Montana
Generation Hope
Greenpeace US
Holyoke Food and Equity Collective
Indivisible
Inversant
Kentucky Resources Council, Inc.
Kitchen Sync Strategies
Legal Services Staff Association, NOLSW/UAW 2320
Mainers for Accountable leadership
Minority Veterans of America
MomsRising
National Advocacy Center of the Sisters of the Good Shepherd
National Association of Consumer Advocates
National Association of Social Workers
National Consumer Law Center (on behalf of its low-income clients)
National Council of Churches of Christ in the USA (NCC)
National Education Association
National Equality Action Team (NEAT)
National Organization of Legal Services Workers, UAW Local 2320
National Resource Center on Domestic Violence
National Young Farmers Coalition
New Energy Economy
NextGen America
NextGen California
Nonprofit Professional Employees Union, IFPTE Local 70
Ohio Student Association
Our Revolution
People's Parity Project
Protect All Children's Environment
Public Citizen
Public Higher Education Network of Massachusetts (PHENOM)
Public Justice Center
Pueblo Food Project
Rachel Carson Council
Revolving Door Project
Rise
Rural Coalition
Slow Food Youth Network
Student Borrower Protection Center
Student Debt Crisis
Student Voice
SW DC Action
Take on Wall Street
The Education Trust

THE ONE LESS FOUNDATION

They Keep Bees

Tzedek DC

UnKoch My Campus

We, the 45 Million

Whitelock Community Farm, Future Harvest CASA, Northeasters Center Advanced Food Safety (NECAFS)

Young Invincibles

Zero Debt Massachusetts