

JOSH STEIN
ATTORNEY GENERAL



February 19, 2020

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

Dear President Biden:

I write to urge you to take action, including the use of your executive authority where lawful and appropriate, to address the burden of federal student debt, which has become even greater for student borrowers and their families during the COVID-19 crisis. Providing some relief from this debt would deliver immediate financial relief to millions of citizens and serve as an important economic stimulus.

As Attorney General of North Carolina, I am familiar with the many problems student borrowers in my state face. These include hardships that result from a federal student loan program that is fundamentally broken and has failed many borrowers in a number of ways, as well as unfair practices committed by some for-profit colleges. For example, many students who were promised loan forgiveness in exchange for pursuing public service occupations after graduation have found it functionally impossible to navigate the administrative hurdles set up by the federal government – with less than 2 percent of applicants having their loans forgiven. In addition, loan servicers hired by the federal government have inappropriately steered many students into programs that have made things worse for them and increased the amount of their debt.

Other students who were defrauded by for-profit colleges find it difficult, if not impossible, to have their student loans discharged through the federal process that is supposed to provide these students with relief. Many of these borrowers are a part of the estimated 40 percent of recent student borrowers who have debt, but have no degree to show for it, severely hindering their ability to repay.

Crushing student loan debt negatively affects borrowers' daily lives. This debt makes it difficult for many of them to obtain other credit, purchase homes, fully participate in our economy, or simply make ends meet. Many forego needed medical care because of their large student debt burden. Coupled with an on-going stagnation of wages and bleak job market, many current graduates have a net worth that is low compared to prior generations of graduates. Furthermore, student debt weighs disproportionately on communities of color, women, and first-generation students, exacerbating existing inequalities.

While fully fixing the federal student loan program will require ongoing attention and work by your Department of Education, you have the authority to act to reduce the debt burden on students, including canceling some student debt where lawful and appropriate. This simple and immediate step would have a large and positive impact on the economic and health outcomes of many young Americans. I urge you to exercise your authority to provide meaningful relief to millions of citizens who are in need.

Sincerely,

Josh Stein