



The recent Supreme Court decision on student debt relief

Andrew,

On June 30th, the Supreme Court issued a decision invalidating the Biden-Harris Administration's student debt relief plan to provide up to \$20,000 in one-time relief to more than 40 million student loan borrowers.

We believe the Supreme Court got it wrong.

President Biden and I recognize how critical student debt relief would have been for tens of millions of Americans and their families, and we understand many of you may be wondering how the Court's decision affects you.

This decision from the Supreme Court means that the Administration cannot move forward with the one-time student debt relief plan announced last year. The Department had already approved applications for more than 16 million borrowers, and if you are one of those borrowers, we are unable to provide you with relief under this program due to the Court's ruling.

While we disagree with the Court's decision, our Administration will not stop fighting to provide debt relief to borrowers. We will use every tool at our disposal to do so, which is why our Administration is taking the following actions immediately:

- **First, we are taking action aimed at opening an alternative path to debt relief for working and middle-class borrowers.** We started the process to provide relief to as many people as we can, as fast as we can, through the rulemaking process. Under the law, this path will take time, but we are determined to keep fighting for borrowers and we will keep you updated in the months ahead.
- **Second, the Administration is implementing the most affordable repayment plan ever created, called the [Saving on a Valuable Education \(SAVE\) Plan](#).** Later this summer, borrowers will start saving money under the new plan, which will cut monthly payments to \$0 for millions of borrowers making \$32,800 or less individually (the cutoff is \$67,500 for a borrower in a family of four) and save all other borrowers at least \$1,000 per year. Additionally, it will stop runaway interest that leaves borrowers owing more than their initial loan. Eligible borrowers can enroll in the REPAYE plan today and the Department will automatically enroll them in the SAVE plan and update their monthly payments as the new terms are

implemented later this summer.

- Third, under legislation enacted by Congress, the student loan payment pause is ending. Interest will begin accruing on September 1, and payments will be due in October. To help borrowers successfully return to repayment, **the Department is creating a temporary on-ramp to protect borrowers from the worst consequences of missed, late, or partial payments**, such as negative credit reporting. However, borrowers who can make their payments should do so.

If you will owe payments this fall – or just want to learn more – visit StudentAid.gov/debtrelief to learn more about these actions, identify a repayment plan that works for you, and consider the benefits of making on time payments as you prepare to restart monthly payments.

We will not stop fighting to make sure that student debt is not a barrier for Americans to access college or economic opportunity. We will continue to put the needs of students and borrowers first, help borrowers access the support and resources they need, and make the promise of college a reality for more American families.

We'll keep fighting for you!

Sincerely,

A handwritten signature in blue ink that reads "Miguel A. Cardona". The signature is fluid and cursive.

Miguel A. Cardona
Secretary of Education

Federal Student Aid

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