

The recent Federal Court decisions that affect student loan borrowers

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To



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Thu 7/11/2024 7:24 PM

In recent weeks, several federal courts have issued rulings in lawsuits brought by Republican elected officials who are siding with special interests and trying to block Americans from accessing all the benefits of the most affordable student loan repayment plan in history – the SAVE (Saving on a Valuable Education) Plan. I know these rulings can be confusing for borrowers, and it remains our top priority to provide clarity to you and continue our work to make higher education more affordable and accessible for more students from all walks of life.

Let me be clear: President Biden and I are determined to lower costs for student loan borrowers, to make repaying student debt affordable and realistic, and to build on our separate efforts that have already provided relief to 4.75 million Americans – no matter how many times Republican elected officials try to stop us. **That's why our Administration will continue to implement the SAVE Plan to the fullest extent possible to help borrowers access lower monthly payments.**

Following the recent court decisions, the SAVE Plan is still available for borrowers to enroll in, and you can still benefit from the vast majority of its provisions. Individual borrowers making \$33,385 or less per year and families of four making \$70,200 or less will still benefit from \$0 monthly payments; all other borrowers can expect to save more than \$1,000 per year on loan payments under SAVE, and all borrowers enrolled in SAVE will be protected from their balances growing because of runaway interest if they are making monthly payments. Although the SAVE Plan's shortened time to loan forgiveness is on hold while the cases continue, we will keep fighting for those provisions and keep you updated with new developments that impact you.

Starting this month, borrowers' undergraduate loan payments will be capped at 5% of their income because of the SAVE Plan. Visit StudentAid.gov/SAVE to learn more and enroll in the plan.

Over the last month, as the Department calculated new, lower monthly payments for borrowers in the SAVE Plan, some borrowers might have been placed in a temporary, zero-interest forbearance while their new rates are being calculated. If this applies to you, your loan servicer will have reached out directly, and they will contact each borrower enrolled in SAVE with their new, lower payment amount and their next due date.

In addition to implementing these provisions of the SAVE Plan and vigorously defending the plan in court, the Biden-Harris Administration will also continue our work alleviating the burden of student debt for millions of Americans. That includes canceling student debt for borrowers under the Public Service Loan Forgiveness program and making fixes to other income-driven repayment plans that were riddled with administrative errors long before our Administration. We are also continuing to pursue proposals for broader student debt relief through separate rulemaking that could benefit tens of millions of borrowers in the future.

While we disagree with the Republican elected officials' efforts here to side with special interests and block borrowers from getting breathing room on their student loans, President Biden and our Administration will not stop fighting to make sure Americans have affordable access to the lifechanging opportunities a higher education can provide. 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 higher education a reality for more American families.

We'll keep fighting for you!

Sincerely,