

The Virgin Islands Consortium

Judge Temporarily Halts Biden's Student Loan Forgiveness Program Affecting Millions of Americans

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The Eighth U.S. Circuit Court of Appeals on Friday temporarily halted the Biden administration from forgiving up to \$20,000 in student loans per borrower, and the one-page order will remain in effect for a short period while the court considers a request from six Republican-led states to block the program's implementation.

The program was scheduled to start on Oct. 23, but the court's order will push the start date back a few days. Biden administration officials have said it could take several weeks to process the bulk of the applications.

The White House said the court's decision does not prevent applicants from applying for the student debt forgiveness program, nor does it preclude the administration from reviewing applications.

"We will continue to move full speed ahead in our preparations in compliance with this order," White House press secretary Karine Jean-Pierre said. "And the administration will continue to fight Republican officials suing to block our efforts to provide relief to working families."

Nebraska Attorney General Doug Peterson, who is part of the appeal, said, "It's very important that the legal issues involving presidential power be analyzed by the court before transferring over \$400 billion in debt to American taxpayers."

According to the Biden administration, the program would cost taxpayers \$379 billion over 30 years, though the nonpartisan Congressional Budget Office estimated the cost to be \$400 billion with about 90 percent of eligible individuals applying.

The administration [on Monday started accepting applications through a dedicated portal](#), and so far over 22 million borrowers have applied for the student loan forgiveness, according President Joe Biden said.

According to the Wall Street Journal, the U.S. Dept. of Education has begun informing some borrowers that they don't need to apply for the program because the department already has enough information about their loans to process their forgiveness.

According to local data provided by the Bryan administration, over 7,800 Virgin Islanders qualify for the program, while 4,700 borrowers in the territory are eligible for Pell Grant debt relief for which they are able to get up to \$20,000 in debt cancellation. Non-Pell Grant recipients with loans held by the U.S. Department of Education are also eligible for up to \$10,000 in debt cancellation.

In addition, borrowers who are employed by non-profits, the military, or federal, state, tribal, or local government may be eligible to have all of their student loans forgiven through the Public Service Loan Forgiveness (PSLF) program. This is because of time-limited changes that waive certain eligibility criteria in the PSLF program. These temporary changes expire on October 31, 2022. For more information on eligibility and requirements, go to PSLF.gov.

For those with student debt exceeding the forgivable sums, payments will resume in January 2023.