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High Court Ruling Dashes Loan Forgiveness Hopes for Thousands in U.S. Virgin Islands

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Ernice Gilbert **July 02, 2023**

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UVI's 2022 Commencement Ceremony at the Albert A. Sheen Campus on St. Croix By. V.I. CONSORTIUM

The hopes of 12,000 student borrowers in the Virgin Islands, who stood to benefit from President Joe Biden's ambitious student loan forgiveness plan, were dashed by the U.S. Supreme Court on Friday when the court ruled against the initiative.

The Court, in a 6-3 decision led by Chief Justice John Roberts, invalidated the plan, asserting that Education Secretary Miguel Cardona had overstepped the powers allotted to him by federal law when he approved the large-scale initiative last year. The plan, viewed by the White House as a key factor in strengthening the president's appeal among young Americans, aimed to forgive

student loans held by nearly 40 million people, thereby nullifying a \$430 billion debt.

The decision pointed to the Heroes Act, which provides the Secretary of Education the ability to modify programs in response to crises, as insufficient grounds to rewrite the statute in such a comprehensive manner. The majority opinion, concurred by Justices Clarence Thomas, Samuel Alito, Neil Gorsuch, Brett Kavanaugh, and Amy Coney Barrett, effectively ended the plan.

The three liberal justices dissented. Justice Elena Kagan, writing for the minority, argued that the majority had erroneously imposed a limitation on the law that was non-existent. She insisted that the law does not explicitly limit the secretary's discretion in deciding what waivers or modifications are necessary during a crisis.

This decision reverberates intensely in the U.S. Virgin Islands, where in September 2022, Governor Albert Bryan had celebrated the inclusion of more than 12,000 local students in Biden's proposed plan. With 7,800 loan holders and 4,700 Pell Grant borrowers from the territory eligible for debt relief, the initiative had been seen as a much-needed respite for students struggling with the high costs of education.

Governor Bryan had praised President Biden's determination in ensuring higher education accessibility for students. The initiative was hoped to alleviate the economic strain on former students, allowing them to contribute more effectively to the Islands' future growth.

Under the program, 90 percent of the relief dollars were earmarked for those earning less than \$75,000 per year. The proposed relief plan was also expected to help reduce the racial wealth gap, as 71 percent of black undergraduate borrowers and 65 percent of Latino undergraduate borrowers are Pell Grant recipients.