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NEWS FOR IMMEDIATE RELEASE

February 22, 2021

AG Kaul Joins Multistate Coalition in Support of Up to \$50,000 in Student Loan Debt Relief

MADISON, Wis. – Attorney General Kaul joined a multistate coalition on Friday urging the adoption of U.S. House and Senate resolutions that call for the cancellation of up to \$50,000 in federal student debt owed by each and every federal student loan borrower nationwide.

In their letter to Congress, the attorneys general stress the immediate relief needed for borrowers struggling with unmanageable student loan debt, which has only been exacerbated by the COVID-19 pandemic and current financial crisis. The resolutions – Senate Resolution 46 and House Resolution 100 – call on President Biden to exercise his authority to cancel up to \$50,000 in federal student loan debt per borrower.

“Education opens pathways to opportunities,” said AG Kaul. “And its impact reaches far beyond the person receiving an education. It can spur innovation, promote the exchange of diverse ideas and perspectives, and help prepare people for careers that benefit others.

“Because of the dramatic increase in the cost of education, however, many Americans have substantial student loan debt. And this problem has been exacerbated by a variety of other factors, such as the use of deceptive marketing practices by predatory for-profit colleges and the difficulty of qualifying for loan forgiveness.

“AG offices have worked to secure relief for folks with student loan debt when consumer protection laws were allegedly violated. But a comprehensive approach is

needed. President Biden should use his authority to provide meaningful relief for the tens of millions of Americans burdened by student loan debt.”

According to the letter, the existing repayment system for federal student loans provides insufficient opportunity for struggling borrowers to manage their debts. As many as one in five federal student loan borrowers are in default. Options for student borrowers to obtain relief have also proven to be inadequate. Only 2 percent of borrowers who applied for loan discharges under the Public Service Loan Forgiveness program have been granted a discharge, and efforts by state attorneys general to obtain student loan discharges for students defrauded by for-profit schools have been stymied by the U.S. Department of Education.

The letter specifically highlights misconduct by for-profit schools, and how the industry’s predatory practices have disproportionately harmed people of color. The attorneys general state that cancelling federal student loan debt can substantially increase Black and Latinx household wealth and help close the racial wealth gap.

Joining the letter, co-led with Massachusetts Attorney General Maura Healey and New York Attorney General Letitia James, are the attorneys general of Connecticut, Delaware, Hawaii, Illinois, Maryland, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Vermont, Virginia, Washington, and the District of Columbia.