



Biden-Harris Administration Student Debt Relief Plan



Things we know

- Only Federal Loans (Subsidized, Unsubsidized, Perkins or Parent PLUS Loan)
 - No Private Loans
- Only loans that were disbursed before July 1st 2022
- Up to \$10,000 if student never received a Pell Grant
- Up to \$20,000 if student received at least \$1 in Pell Grant funding
- Over 26 million people have applied
 - 16M applications are approved



Things we know (income part)

- Relevant tax years are 2020 and 2021
- Have to be below the following amounts in EITHER year:
 - \$125,000 if filing 'Single' or 'Head of Household'
 - \$250,000 if filing as 'Married, Filing Jointly'
- Who's taxes does it use?
 - Parent taxes if a student in 2020, 2021 or 2022
 - Student taxes if NOT enrolled in 2020, 2021 or 2022



What about all of those lawsuits?

- Indiana lawsuit
 - Allowed for opt out
- Wisconsin lawsuit
 - Largely rejected by all judges
- Attorney Generals of Arkansas, Iowa, Kansas, Missouri, Nebraska + South Carolina
 - Most successful so far
 - Caused Biden administration to exclude some privately held federal loans
 - Temporarily blocked from giving student loan relief
 - Arguing that student loan relief would harm the state tax collections and state-run student loan servicing companies
 - Also arguing that states rely on Public Service Loan Forgiveness to recruit employees

Is it happening or is it blocked?

- Attorney Generals of Arkansas, Iowa, Kansas, Missouri, Nebraska + South Carolina
 - Biden Administration temporarily blocked from forgiving loan debts.
 - Haven't said it's illegal, just a temporary pause to gather more info
 - Judges deciding whether or not to issue an injunction
 - Yes, Injunction = loan forgiveness blocked
 - No Injunction = loans can be forgiven
 - CAN I STILL APPLY?
 - YES.

Student Situations



- Kris received a Pell Grant in their junior and senior year at St. Olaf. They graduated in May 2021 from St. Olaf with \$22,000 in debt and have made \$4,000 in payments since May 2021. Their current loan debt is \$18,000.
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- They would have \$18,000 forgiven and would no longer have any federal student loan debt.
- Unclear whether they would have \$2,000 or \$4,000 of their payments returned to them.

Student Situations



- Jo never received a Pell Grant at St. Olaf. They graduated in May 2017 with \$27,000 in federal loan debt and \$5,000 in private loan debt from a local credit union. They have made \$9,000 in federal loan payments and currently have a federal loan debt of \$18,000. They have made \$3,000 in payments towards their private loan from a local credit union and currently have a private loan debt of \$2,000. They would receive \$10,000 in federal loan forgiveness and have a remaining balance of \$8,000. Their private loan debt was not impacted by this announcement and remains at \$2,000.



Student Situations

- Mai graduated from St. Olaf in 2020. She borrowed \$27,000 in federal loans at St. Olaf. She received the Pell Grant all four years.
- Mai's parents took out \$11,000 in Parent PLUS Loans for Mai while she was enrolled at St. Olaf.
- Mai's parents never attended college. They have a total income of \$80,000.

- Mai would receive \$20,000 in loan forgiveness
- Mai's parents would receive \$10,000 in loan forgiveness



Student Situations

- Elizabeth never received a Pell Grant at St. Olaf. They are a current junior and will graduate in May 2024. They borrowed \$12,000 in their first two years at St. Olaf.

They would receive \$10,000 in forgiveness and have a current balance of \$2,000.

If they borrowed \$15,000 in their junior and senior years, they would graduate with \$17,000 in total loan debt.



Student Situations

- Ulises is a current first year student at St. Olaf that started college in Summer Bridge in July 2022. Ulises receiving the Pell Grant and they are borrowing \$5,500 in federal loans for the school year. The first loan disbursement was for Fall Semester in September 2022.
- Ulises is not eligible for any loan relief because they did not have any loans disbursed before July 1, 2022.

Ok, enough talking, how do I apply?

- <https://studentaid.gov/debt-relief/application>

Apply for Federal Student Loan Debt Relief

OMB No. 1845-0167, Exp. Date 4/30/2023

Eligibility for Debt Relief



What Is Federal Student Loan Debt Relief?

It's a program that provides eligible borrowers with full or partial discharge of loans up to \$20,000 to Federal Pell Grant recipients and up to \$10,000 to non-Pell Grant recipients.



Who Qualifies?

- Individuals who made less than \$125,000 in 2021 or 2020
- Families that made less than \$250,000 in 2021 or 2020

If you filed federal taxes, your income requirements are based on your adjusted gross income (AGI), which tends to be lower than your total income. Your AGI can be found on line 11 of the IRS Form 1040.



How It Works

Apply today (but no later than Dec. 31, 2023). We'll determine your eligibility and will contact you if we need more information. Your loan servicer will notify you when your relief has been processed.

[Learn More About Student Loan Debt Relief](#)



Wait, that was it? When do I hear about next steps?

- Biden Administration says that applicants before mid-November will hear before January 1st.
- Student Loan payments are supposed to start January 2023.
 - I think this time it's for real.