

Senator Warren Releases New Education Dept. Data Showing Widespread Benefits of Student Debt Cancellation

Today, U.S. Senator Elizabeth Warren (D-Mass.) shared new and previously unreleased data from the U.S. Department of Education on the extent to which millions of student loan borrowers would benefit from up to \$50,000 in student debt cancellation. Senator Warren requested the federal data in an April 2, 2021 letter to Education Secretary Miguel Cardona.

“New Education Department data show that canceling \$50,000 of student loans would erase the debt entirely for 84% of borrowers. I’m looking forward to making the case in my Senate Banking Subcommittee hearing later today about why President Biden must cancel student debt,” said Senator Warren.

In February, Senator Warren and Majority Leader Chuck Schumer led their colleagues in reintroducing their bicameral resolution outlining a bold plan for President Biden to tackle the student loan debt crisis by using existing authority under the Higher Education Act to cancel up to \$50,000 in student loan debt for federal student loan borrowers.

The data show that 36 million borrowers would be completely relieved of their debt burdens if President Biden uses his existing authority to cancel \$50,000 in student loan debt. For comparison purposes, cancellation of up to \$10,000 in debt would relieve only 15 million borrowers of their debt.

Furthermore, under the \$50,000 plan, out of the 36 million borrowers who would be relieved of all their debt under the \$50,000 plan, 9.4 million are currently in default or delinquent.

There are presently 4.4 million borrowers, with \$211 billion in debt (an average of nearly \$48,000 per borrower), who have had student debt more than 20 years after graduation. Another 10.7 million borrowers, with \$458 million in total debt, have had student loans for more than a decade.

Senator Warren is one of the nation's leading voices calling for student debt cancellation, systemic reforms to make college accessible without taking on debilitating debt, and stronger protections for borrowers against predatory for-profit practices.

Today, Senator Warren will host her first hearing as chair of the Senate Banking, Housing, and Urban Affairs Committee's Subcommittee on Economic Policy. The hearing, "The Student Debt Burden and Its Impact on Racial Justice, Borrowers, & The Economy," will examine the student loan debt crisis in our country.

In March 2021, Senators Warren and Bob Menendez (D-N.J.) applauded the passage of their Student Loan Tax Relief Act as part of the American Rescue Plan. The provision makes any student loan forgiveness tax-free, ensuring borrowers whose debt is fully or partially forgiven are not saddled with thousands of dollars in surprise taxes. During her time in the Senate, she has helped return tens of millions of dollars tax-free to students cheated by for-profit colleges.