A RESOLUTION SUBMITTED BY
LEGISLATOR JOHNSON

Re: Support for the Federal Forgiveness of Student Loan Debt for Eligible Borrowers

WHEREAS, currently, 42.3 million Americans have “Direct” federal loans and PLUS education (college) loans which were guaranteed and backed by the federal government and a total of 45 million borrowers are carrying around $1.6 trillion in student loan debt; and

WHEREAS, one in 10 loans are in delinquency or default and the US Federal Reserve estimates the typical monthly loan payment for borrowers to be between $200 and $299; and

WHEREAS, the US Federal Reserve's recent Survey of Consumer Finances report noted that the nearly $1.6 trillion of student debt continued to be the largest source, in dollar terms, of non-mortgage debt owed by American families; and

WHEREAS, due to COVID-19, Federal student loans have been in automatic forbearance, accruing zero interest for nine months now, and the US Department of Education has granted the over 40 million Americans who have Direct federal loans a one month extension of forbearance through January 31, 2021; and

WHEREAS, the current Federal forbearance period does not apply to private loans, which make up 7.9% of all outstanding student loan debt, meaning they are still accruing interest; and

WHEREAS, since 2007, the federal government has maintained several limited student loan forgiveness/discharge programs, including the Teacher Loan Forgiveness program, the Public Service Loan Forgiveness program, and the Total and Permanent Disability (TPD) Discharge program; and

WHEREAS, while President-Elect Joseph Biden has not committed to any specific action on student loans, he is expected to further continue the freeze on payments and interest before considering his campaign policy education loan goals, which included: help for undergraduate borrowers who earn $25,000 or less; automatic enrollment in the income-based repayment program; changes to the taxation of debt forgiveness, and the possible cancellation of up to $10,000 in debt for students who work in national or community service; and

WHEREAS, Alan Collinge, who leads a grassroots campaign called Student Loan Justice, argues that canceling student loan debt would be a major boost to the economy, especially for younger people who cannot start families, start businesses, and purchase homes due to student loan debt; and

WHEREAS, Democratic leaders in Congress are preparing legislation to forgive up to $50,000 in student debt per borrower for people making less than $125,000 a year as part of a plan to help stimulate the economy, and it is not clear if the Democratic plan would cover all...
student loans or just federal student loans and whether the plan would cover graduate student loans or undergraduate loans only; and

WHEREAS, if such legislation cannot be approved in Congress, Senator Charles Schumer and Senator Elizabeth Warren are urging President-Elect Biden to provide relief through an executive order, citing the Higher Education Act of 1965 that they say gives the president the authority to forgive student loans without Congressional approval; and

WHEREAS, as the economic recession caused by COVID-19 continues and the unemployment rate remains high, consideration of Federal proposals to provide student loan forgiveness should be considered to help struggling Americans and to help stimulate the economy.

NOW, THEREFORE, BE IT

RESOLVED, the Erie County Legislature hereby expresses its support for federal legislation or a presidential executive order to forgive up to $50,000 in federal and private student loan debt for those persons earning under $125,000 per year; and be it further

RESOLVED, that this Honorable Body notes and calls for federal action to address the massive $1.6 trillion in student loan debt borne by 45 million Americans as such a financial burden is crippling and does not support a robust and thriving economy; and be it further

RESOLVED, that certified copies of this resolution be transmitted to the President, to the President-Elect, to US Senators Mitch McConnell and Charles Schumer, and to US Representatives Nancy Pelosi, Brian Higgins, Christopher Jacobs and Kevin McCarthy.

Fiscal Impact: None for this resolution.