

# Rep. Murphy: Critiques AG advocacy on federal loan forgiveness

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MADISON, WI —State Representative Dave Murphy (R-Greenville) issued the following opinion editorial regarding Attorney General Kaul co-authoring a letter to Congress supporting federal student loan forgiveness:

Last week, Wisconsin's attorney general joined other state attorneys general in penning a letter calling for the federal government to forgive up to \$50,000 per person in federal student loan debt. Aside from the issue not being a legal enforcement matter in any way, but rather a policy matter, Attorney General Kaul put his name to a letter rife with misleading and misguided information about student debt.

Federal student loans currently make up the largest source of financial aid to college students. While such loans have created many unintended consequences, including the runaway cost of a college education, they also significantly increased the number of people who were able to attend college. Student loans are offered without the need for collateral, come at a significantly lower interest rate, and have more repayment and forgiveness options than any other type of loan. While student loan reform is desperately needed to halt the exponential growth of college costs, forgiving student debt will do nothing to solve the real problem, and will only further incentivize colleges to increase tuition and fees.

The Trump administration implemented numerous initiatives to help student loan borrowers during COVID-19, including repayment suspension and a zero percent interest rate, which have been extended by the Biden administration.

The letter from the attorneys general points to the need to protect victims of predatory colleges; however, such victims are already eligible for loan forgiveness.

Additionally, those colleges already can be prosecuted by officials like Josh Kaul. Instead of spending time writing letters to Congress, I would encourage our Wisconsin attorney general to do his job if he honestly believes colleges in our state are exploiting students with easily obtainable federal loans.

Despite the litany of people the attorney general claims will benefit from the forgiveness of the enormous sum of \$50,000 per person in federal student loan debt, he failed to mention the individuals who have been hurt or will be hurt by the system that such loan forgiveness creates. Senator Warren's plan, endorsed by our attorney general, would eliminate the repayment of \$1 trillion in federal loan debt. Currently these payments allow the federal government to offer new student loans to individuals hoping to go to college. Is Josh Kaul suggesting that we stop offering this opportunity of low cost loans to college students, or maybe that we borrow even more from China to continue this program? The most likely scenario is that the burden to pay for this loan forgiveness will fall to taxpayers, many of whom already paid off their student loans or chose not to take out such a loan in the first place.

Excessive loan forgiveness will undoubtedly drive up the cost of college even more and force more people to borrow against their future with federal loans. It's already nearly impossible for families to scrimp and save for a college education. College costs continue grow as fast as the federal government is willing to pay for these expenses with unsecured loans. Meanwhile, everyday Americans will suffer the long-term consequences. It's clear that since 2008, when the federal student loan program was de-privatized and put into the hands of the government, things have only gotten worse. Thankfully it's not Attorney General Kaul's job to make these decisions. I'm hopeful that people with a better understanding of education and our economy will take a more informed position.