

# U.S. Rep. Gallagher: Gallagher, Murphy, Johnson introduce Stop Reckless Student Loan Actions Act

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WASHINGTON, D.C. — Rep. Mike Gallagher (R-WI), alongside Reps. Greg Murphy (R-NC) and Dusty Johnson (R-SD), introduced the Stop Reckless Student Loan Actions Act, would end President Biden's un-targeted suspension of repayments on qualifying federal student loans. The bill would still allow the president to temporarily suspend repayment for low- and middle-income borrowers in future national emergencies and would prohibit the president from cancelling outstanding federal student loan obligations due to a national emergency.

Senators John Thune (R-SD), Richard Burr (R-NC), Mike Braun (R-IN), Bill Cassidy (R-LA), and Roger Marshall (R-KS) introduced companion legislation in the U.S. Senate. Click [HERE](#) for bill text.

"The idea that the President can wave a wand and cancel student debt is constitutional craziness," said Rep. Gallagher. "To do so would exacerbate the price of higher education, disproportionately benefit the most affluent Americans, and unfairly punish each parent who sacrificed and saved for their kids' education, not to mention those who've already paid off their loans. Congress can take action to prevent this enormous abuse of executive power, and should do so by passing the Stop Reckless Student Loan Actions Act."

"President Biden often trumpets the line of wanting high-income Americans to 'pay their fair share', said Rep. Murphy. "If Biden really believed that, he would start by requiring them pay their own student loans. What progressives fail to acknowledge is that there is no such thing as canceling or forgiving student loans, they're just shifting the responsibility to hardworking taxpayers. The fact is, most Americans do not have college degrees, and it is reprehensible to force low-and middle-income families to bailout Ivy League graduates. I'm proud to be working with my Senate counterparts to protect taxpayers and prevent Biden from unfairly and unlawfully canceling student debt."

"Folks are back at work," said Rep. Johnson. "There is no reason — other than political ones — that the Biden Administration is unilaterally suspending student loan payments. If you take out a loan, you should pay it back."

The current suspension of federal student loan repayments disproportionately benefits higher-earning borrowers and has cost American taxpayers billions of dollars.

- For example, medical doctors with student debt, on average, have [received](#) the equivalent of approximately \$50,000 in forgiveness as of May 1, 2022, according to the Committee for a Responsible Federal Budget.
- According to the [Federal Reserve](#), the net worth of households led by college graduates [soared](#) during the pandemic by \$23.4 trillion. Meanwhile, the approximate two-thirds of households that are not led by a college degree holder only saw a net worth increase of \$3.5 trillion.
- Each repayment extension has [cost](#) taxpayers \$5 billion per month, which is in addition to the more than \$100 billion Americans have already spent on this repayment moratorium, according to the Department of Education.
- Prior to the pandemic suspension, upper-income borrowers [made](#) three-quarters of the student loan payments, according to the Brookings Institution.
- According to the Committee for a Responsible Federal Budget, individuals who are bachelor's degree holders or higher [hold](#) 70 percent of education debt – a population with an unemployment rate of only 2.2 percent.

On April 6, 2022, President Biden announced his fourth extension of the suspension of qualifying federal student loan repayments through August 31, 2022. He also announced that when repayments do resume, all borrowers whose federal student loans are delinquent or in default would be made current. Prior to this extension, the repayment of these federal student loans was scheduled to resume in May 2022. Notably, nothing in this bill would prohibit the U.S. Department of Education from continuing to work with individuals who may be struggling to make timely payments, like helping struggling borrowers enter into income-driven repayment plans.