

September 21, 2023

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Cities and Counties Urge Swift Action to Enact New Student Debt Relief Plan

Dear Mr. President,

On behalf of more than 1.2 million student loan borrowers in 20 cities and counties with nearly \$50B in student debt, we write to thank you for continuing to fight on behalf of student loan borrowers by announcing plans to enact a new debt relief plan under the Higher Education Act. Given the crushing weight of the student debt crisis on borrowers and their communities, and the extended economic limbo millions of borrowers have been forced to endure as partisan lawsuits blocked transformative debt relief in the courts, we urge you to continue the necessary work to deliver on your promise of up to \$20,000 in student debt relief and enact your new debt relief plan as [swiftly as possible](#).

The Supreme Court's decision to ignore the clear letter of the law and strike down your life-changing debt relief plan is further evidence of its willingness to put politics and special interests before the American people. As pointed out in an [amicus brief](#) before the Court signed by 44 cities, student debt cancellation remains legal and urgently needed. Thankfully, despite this flawed decision, your Administration has always had alternative authorities to enact student debt relief, and we commend the Secretary of Education's rapid work opening an alternative path to debt relief for as many working and middle-class borrowers as possible, using the Secretary's authority under the Higher Education Act.

America's cities are on the front lines of the \$1.7 trillion student debt crisis. This crisis has spiraled out of control, reinforcing deeply embedded inequities in our country and creating financial despair in our communities – and the pandemic has exacerbated these challenges. Relief is urgently needed to help alleviate the financial burden on residents, helping families cover rising costs and invest in our local economies and their own future. As officials in your Administration have consistently stated, resuming loan payments this fall without first providing broad-based student debt relief would result in a catastrophic wave of borrower distress, dealing a punishing blow to millions of families in our communities while [destabilizing our local economies](#) and increasing demand for public benefits and services.

We must not accept a return to the failed pre-COVID status quo where nine million borrowers were in default – one borrower defaulting on their student loans every 26 seconds. Black and Latino/a borrowers have faced the greatest debt burdens and worst repayment outcomes, expanding and perpetuating racial inequality across American cities. Further, alarming new [data](#) from the Consumer Financial Protection Bureau shows current borrower distress on the rise, with 2.5 million student loan borrowers already behind on other loans (a higher delinquency rate than before the pandemic) and one in five borrowers showing risk factors that suggest they could struggle when payments resume.

Your Administration is now only days away from restarting a fundamentally broken and underfunded student loan servicing system, throwing 45 million Americans into chaos. While we appreciate your Administration's [announcement](#) to shield borrowers from the most severe economic consequences of default, millions of borrowers will be forced to navigate the complex system for the first time in more than three and a half years.

More than 14 million borrowers will be dealing with new servicers, a transfer of accounts that will almost certainly result in incorrect balances, missing payments, and more. Customer service budgets have been slashed, yet the U.S. Department of Education continues to rely on servicers – private companies whose profit-maximizing interests are not necessarily aligned with borrower wellbeing – to be the conduit for borrowers to receive information about and assistance with their student loans.

Cities are uniquely positioned to engage and assist local student loan borrowers, leveraging local insights and existing social service programs and channels, as well as direct services like financial coaching and nonprofit legal service partnerships. But we cannot do this alone. We cannot bring borrower outreach and assistance to scale without adequate funding and support from federal and state governments. And we cannot ensure financial stability for borrowers and communities without broad-based relief from this crushing debt.

Student debt cancellation is both an essential and necessary tool that your Administration and the Department of Education can and must use to protect borrowers and safeguard our economy, and it remains [widely popular](#). We applaud your commitment to using an alternative path to enact debt relief for borrowers, and urge you to move as fast as possible to ensure that millions of borrowers can finally experience this relief and have the chance at a healthier financial future.

Sincerely,

Jim Kenney
Mayor of Philadelphia, PA

Satya Rhodes-Conway
Mayor of Madison, WI

Michelle Wu
Mayor of Boston, MA

Jesse Arreguin
Mayor of Berkeley, CA

Quinton Lucas
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