



**For Immediate Release**  
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### **LDF Issues Statement on Biden Administration Plan to Partially Cancel Student Debt**

Today, the Biden administration announced a plan to cancel \$10,000 in student debt for American borrowers earning \$125,000 or less per year. The administration also announced that a pause on student loan payments that has been in effect since the beginning of the pandemic would be further extended to December 31, 2022, and that an additional \$10,000 in debt forgiveness would be granted to students who received Pell grants in college. Additionally, the administration's new policy would allow those with undergraduate loans to cap their monthly repayment at 5% of their income.

In response to the news, the [Legal Defense Fund](#) (LDF) President and Director-Counsel Janai S. Nelson released the following statement:

“Student debt is a potentially lifelong financial burden to millions of people and a significant obstacle to achieving economic justice and education equity. It is also a formidable impediment to racial equity and equal opportunity, especially for Black people who have historically been excluded from equal access to higher education and continue to face structural and economic obstacles to such access.

“We urge the administration to regard today's actions, welcome as they are, as but a first step in a longer and larger process of broadening access to higher education and fully eliminating student debt. While it may be the case that these new policies will release one in four Black borrowers from any further financial burdens, as the administration claims, that still leaves millions of Black borrowers in potentially dire economic straits. Moreover, while studies show that Black student borrowers owe an average of \$7,400 more than their white peers, starting at the moment of graduation, the administration's cancellation framework would devote 62% of canceled student loan relief to white borrowers, while only 25% would go toward providing relief to Black borrowers.

“These disparities are not happenstance. Studies show that Black students have to borrow more than white students in order to pursue the same degrees and that Black borrowers are more likely to drop out of school before receiving a degree. Further, a study of 2016 graduates shows that 40% of Black students left college with at least \$30,000 in debt, whereas only 29% of white students found themselves similarly burdened. As these data points make clear, the iniquity within the U.S. student loan system remains pronounced — and disproportionately carried by Black borrowers.

“It is for these reasons that we simultaneously applaud the Biden administration's decisions today while also urging policymakers in the White House and throughout the government to see today's actions as a first step toward a more holistic solution.”

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*Founded in 1940, the [Legal Defense Fund](#) (LDF) is the nation's first civil rights law organization. LDF's Thurgood Marshall Institute is a multi-disciplinary and collaborative hub within LDF that launches targeted campaigns and undertakes innovative research to shape the civil rights narrative. In media attributions, please refer to us as the Legal Defense Fund or LDF. Please note that LDF has been completely separate from the National Association for the Advancement of Colored People (NAACP) since 1957—although LDF was originally founded by the NAACP and shares its commitment to equal rights.*