# Biden administration forgives $7.7 billion federal student loans for 160,000 borrowers



The Biden administration has announced the cancellation of $7.7 billion in federal student loans for 160,000 borrowers. This recent relief is part of a broader effort, which has eliminated $167 billion in total student debt for nearly 5 million Americans since President Joe Biden took office.

The latest beneficiaries are divided into three categories: 54,000 borrowers under the new income-driven repayment plan known as the SAVE Plan, 39,000 under earlier income-driven plans, and approximately 67,000 eligible through the Public Service Loan Forgiveness program. These programs allow for loan forgiveness eligibility as borrowers reach specific milestones, such as 10 years of payments instead of the previously longer durations.

These efforts are proceeding amid legal challenges from several Republican-led states, which argue that significant changes to federal repayment plans require Congressional approval. Despite these challenges, the administration continues monthly announcements of new cancellations.

The focus is also on pushing forward with plans for broad, one-time cancellations aimed at assisting over 30 million borrowers. This more extensive proposal is navigating the rulemaking process, with certain provisions, like waiving unpaid interest, set to begin this fall. Conservative opponents have voiced concern over these measures, arguing they place an unfair burden on taxpayers.

The administration's consistent efforts have led to 1 in 10 federal student loan borrowers receiving some form of debt relief, providing financial relief to many Americans.