Student Loan Borrowers Will Have to Repay Loans - SCOTUS

June 30, 2023 - In a landmark decision, the US Supreme Court announced today that President Biden's plan to forgive student loan debt was illegal. The ruling ends months of litigation and debate over the legality of the plan that would have forgiven up to $20,000 of debt for some borrowers.

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The 6-3 ruling came on the last day of the court's current session and was written by Chief Justice John Roberts. Robert's stated that the law which Biden used - known as the HEROS Act - gives no authority to the administration to relieve student debt in the way in which it was used. He went on to say that such relief would require an act of congress; something which is highly unlikely.

Shortly after Biden announced his plans for loan forgiveness, he was sued by six states to stop the plan. In their filing, the states argued that the administration's plan was illegal and would force American's who hadn't attended college or who didn't have any student loan debt to pay for those who had accumulated such debt.

As the suit moved forward, some though that it might be thrown out by the court because the states may not have had standing to sue. But that didn't happen.

To date, 26 million people had applied for relief under the plan and 16 million people had already received approval. Those approvals are now meaningless and borrowers will have to once again make payments on their loans, starting in October. And new interest charges will begin incurring in September.
by Jim Malmberg
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