



AMERICANS for TAX REFORM

April 5th, 2022

Dear U.S. Secretary of Education Miguel Cardona and Members of the United States Congress:

On behalf of Americans for Tax Reform, I am writing to express our opposition to extending the moratorium on federal student loan repayments. As inflation skyrockets, Americans have grown increasingly concerned with government spending and Democrats' plans to expand spending even more.

Without any Congressional approval, President Biden has extended a "temporary" student loan moratorium several times. This policy costs taxpayers billions of dollars, drives inflation, is fundamentally unfair, and is unpopular.

The moratorium was originally implemented in March 2020 but has been extended several times far after the height of the crisis. President Biden [announced](#) in December that he would be extending the federal student loan repayment moratorium until May 1, 2022. Two weeks before the announcement, White House press secretary Jen Psaki assured Americans that the loan payments would restart in February. Instead, the administration caved to progressives who claimed that inaction would cost Democrats in the midterms.

Now, the Administration is considering extending the pause yet again. **We urge Secretary Cardona and members of Congress to reject these efforts.**

As of January of this year, the pause has cost American taxpayers \$100 billion and costs them an additional \$4 billion to \$5 billion each month. Because of policies like this, the federal government has flooded the economy with massive amounts of money, causing demand to grow too fast for production to keep up. The results of these policies are clear. In January, inflation surged to [7.9 percent](#), the highest it has been in 40 years. The average U.S. household spent [\\$3,500](#) more in 2021 due to inflation, according to a Penn Wharton University of Pennsylvania Budget Model analysis.

Ironically, the over \$100 billion spent on this policy has been given to those who suffered the least under pandemic shutdowns and economic turmoil. Despite Democrat talking points, the moratorium isn't helping low-income Americans hit hard by the pandemic. This policy primarily benefits the wealthy.

The Brookings Institution [described](#) those who would benefit most from student debt forgiveness as "higher income, better educated, and more likely to be white." The top 20 percent of households currently hold [\\$3](#) in student loan debt for every \$1 of debt held by the bottom 20 percent of earners. The median income of households making active payments on their student loans was [\\$76,400](#), with just [4 percent](#) of these households being below the federal poverty line.

There is no reason why billions of tax dollars should be funneled to progressive elites in the name of a "national emergency" that they have already rebounded from.

If Democrats will not, Republican lawmakers should take this opportunity to crack down on such reckless uses of taxpayer dollars. This would demonstrate a stark contrast from Democrats whose focus is to appease a narrow, left-wing base at the expense of working families. For example, Congressman Bob Good (R-Va.) and Republican Study Committee (RSC) Chairman Jim Banks (R-Ind.) [introduced](#) the [Federal Student Loan Integrity Act](#), important legislation that would end the pause on student loan payments.

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This is the popular position. Americans do not support student loan cancellation which is, ultimately, progressives' end goal in all of this. Only 41% of adults in the U.S. support canceling all student loan debt, according to a [survey](#) conducted by The Balance.

Even worse, Democrats have not even been open to a middle ground that would require wealthy Americans to pay back their debts while still helping those impacted most deeply by shutdowns.

We urge you to reject a continuation of the moratorium on federal student loan repayments. The student loan moratorium is not only regressive and unfair, but it has exacerbated America's inflation problem and contributed to historic, out-of-control spending.

Onward,



Grover G. Norquist
President, Americans for Tax Reform