



Written by [Michael Tennant](#) on November 25, 2022

Biden Extends Student-loan Repayment Moratorium That Benefits Democratic Voters

President Joe Biden announced Tuesday that the moratorium on federal student-loan repayments has been extended until the end of June, a move critics called a payoff to high-earning Democratic voters and a likely attempt to ensure another Democratic seat in the Senate.

The moratorium was first enacted in March 2020, when many Americans were out of work thanks to tyrannical Covid-19 lockdowns. It has since been extended seven times.

In August, Biden announced that he would forgive up to \$20,000 in student debt for borrowers earning under \$125,000 a year. That same month, he extended the repayment moratorium but suggested that it would be the final extension, saying, “The student-loan payment pause is gonna end.”

“That handout,” observed columnist [James Bovard](#), “helped give Democrats a 28% advantage from voters in the 18-29 age group, demolishing hopes for a Republican red wave.” Biden recognized this, [thanking](#) “the young people of this nation who voted” for “student debt relief.”

Bovard, writing on November 18, predicted that Biden would extend the moratorium yet again, and that is precisely what happened just four days later.

“I’m confident that our student debt relief plan is legal,” Biden [tweeted](#). “But it’s on hold because Republican officials want to block it.”

That was a reference to an [injunction](#) against the plan issued November 14 by the 8th U.S. Circuit Court of Appeals, which found that at least one of the six Republican-led states challenging the plan had standing to sue.

Four days earlier, in a case brought by a conservative advocacy organization, a U.S. District Court judge [declared](#) the plan an “unconstitutional exercise of Congress’s legislative power.”

The administration has appealed both decisions.

In his Tuesday announcement, Biden said his administration was “extending the payment pause to no later than June 30, 2023, giving the Supreme Court time to hear the case in its current term.”

But why keep extending it? The pandemic “emergency” that supposedly justified the moratorium is long past, as even [Biden has admitted](#). The official unemployment rate is now 3.7 percent — and just 1.9 percent among college graduates.



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Meanwhile, the pause is costing taxpayers over \$5 billion a month, and extending it until June 30 (with payments, according to Biden, resuming two months later) would bring its total tab to \$195 billion, calculates the [Committee for a Responsible Federal Budget \(CRFB\)](#).

Moreover,

The pause disproportionately benefits borrowers in higher-paid professions because people in those professions tend to borrow more and pay higher interest rates. Indeed, roughly 40 percent of debt is held by the 7 percent of borrowers that have over \$100,000 of debt and 17 percent is held by the 2 percent of borrowers with over \$200,000 of debt. Most of these borrowers have advanced degrees that lead to very high lifetime earnings; 16 of the 18 highest paying occupations in America are types of medical doctors and the other two are types of dentists.

Not for nothing did Harvard Law Professor Laurence Tribe publicly [thank](#) Biden on behalf of his former students, leading commentator [Larry Elder](#) to quip, “Let’s hear it for reparations for rich white people!”

Why would a president whose party claims to be on the side of the poor and downtrodden champion a program that, according to the CRFB, overwhelmingly benefits the well-off at the expense of the less comfortable?

“Student-debt relief disproportionately benefits demographic constituencies that lean heavily Democratic,” writes *New York Post* columnist [Brad Polumbo](#). “Younger people, people with advanced degrees and urbanites are all more likely to have student debt than other Americans. They’re also much more likely to vote for Democrats.”

Is it a coincidence, then, that Biden chose to extend the pause *after* the election but *before* the makeup of the Senate had been fully determined? A runoff election between Senator Raphael Warnock (D-Ga.) and former football star Herschel Walker, a Republican, is scheduled for December 6. Warnock won his Senate seat in part by promising voters \$2,000 checks from Uncle Sam, a vote-buying scheme [Biden endorsed](#).

Biden’s repayment pause “is forcing taxpayers to make a \$25+ billion contribution to Warnock’s GA Senate campaign,” [tweeted Bovard](#).

“But,” he noted in his November 18 column, “that’s a small price to pay for another Democrat in the Senate.”



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