

# ASSEMBLY RESOLUTION No. 236

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MARCH 15, 2021

**Sponsored by:**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Assemblywoman VERLINA REYNOLDS-JACKSON**

**District 15 (Hunterdon and Mercer)**

**Assemblywoman ANGELA V. MCKNIGHT**

**District 31 (Hudson)**

**SYNOPSIS**

Urges President Biden to cancel up to \$50,000 per eligible borrower in federal student loan debts.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 3/15/2021)

1    **AN ASSEMBLY RESOLUTION** urging President Biden to use  
2       executive action immediately to cancel up to \$50,000 per eligible  
3       borrower in federal student loan debts.

4  
5    **WHEREAS**, Nearly 43 million people in the United States currently  
6       have approximately \$1.6 trillion in federal student loan debt; and

7    **WHEREAS**, More than nine million federal student loan borrowers are  
8       currently in default of those federal student loans; and

9    **WHEREAS**, Student loan debt prevents people from purchasing a  
10      home, starting a family, pursuing a career, completing an education,  
11      and participating fully in the economy; and

12   **WHEREAS**, The student loan debt crisis takes a heavy toll on  
13      disadvantaged communities and disproportionately burdens women,  
14      minorities, and low-income households; and

15   **WHEREAS**, The COVID-19 economic recession and historic  
16      unemployment, combined with stagnant wages, labor market  
17      discrimination, and rising cost of living have made it difficult for  
18      many Americans to ever fully repay their student loans; and

19   **WHEREAS**, President Biden may direct the Secretary of Education to  
20      use existing administrative authority under section 432(a) of the  
21      Higher Education Act of 1965 (20 U.S.C. 1082(a)) to cancel federal  
22      student loan debt on a broad or categorical basis; and

23   **WHEREAS**, The Department of Education has reportedly already used  
24      this authority to implement modest relief for federal student loan  
25      borrowers during the COVID-19 pandemic; and

26   **WHEREAS**, Cancelling up to \$50,000 per eligible borrower in debt  
27      would provide student borrowers with much needed financial relief  
28      during this pandemic and recession, and prevent them from having  
29      unsustainable debt burdens once the pandemic is over; and

30   **WHEREAS**, Broad student loan debt cancellation would provide a  
31      boost to the United States economy through consumer-driven  
32      economic stimulus, greater home-buying rates, and higher college  
33      completion rates; and

34   **WHEREAS**, Debt cancellation would provide relief to families facing  
35      economic hardship and help close the racial and gender wealth  
36      gaps; and

37   **WHEREAS**, Debt cancellation would make a tangible difference in the  
38      lives of millions by alleviating the current threat to financial  
39      security; now, therefore,

40  
41        **BE IT RESOLVED** *by the General Assembly of the State of New*  
42        *Jersey:*

43  
44        1. This House respectfully urges President Biden to use  
45        executive action to cancel up to \$50,000 in federal student loan  
46        debts per eligible borrower.

2. Copies of this resolution, as filed with the Secretary of State, shall be transmitted by the Clerk of the General Assembly to the President of the United States, Majority and Minority Leaders of the United States Senate, the Speaker and Minority Leader of the United States House of Representatives, and to each member of Congress elected from this State.

## STATEMENT

This resolution respectfully urges President Biden to support the 43 million people in the United States, which hold approximately \$1.6 trillion of federal student loan debt by cancelling up to \$50,000 per eligible borrower in student loan debt. This action would provide much needed assistance to the millions of Americans struggling under the burden of crushing student loan debt.

Cancelling student debt would help close the racial wealth gap, provide aid to the disproportionately burdened women, minority, and low-income households, and help families and borrowers as a whole avoid default.

The student debt crisis prevents a swift economic recovery from COVID-19 and further, restricts opportunity and prosperity for millions of Americans and their families. Cancelling the debt would provide consumer-driven stimulus and provide relief for those who are struggling during the pandemic and the associated recession. Student debt cancellation may result in greater home-buying rates and housing stability, expanded access to affordable financial products, higher college completion rates, higher incomes, increased geographic mobility, job creation, higher GDP, and greater small business formation.