



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 14, 2023
(Senate)

STATEMENT OF ADMINISTRATION POLICY

S.J. Res. 43 – Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Department of Education relating to “Improving Income Driven Repayment for the William D. Ford Federal Direct Loan Program and the Federal Family Education Loan (FFEL) Program”.

(Sen. Cassidy, R-LA and 36 cosponsors)

The Administration strongly opposes S.J. Res. 43, which would disapprove of the rule submitted by the Department of Education relating to Improving Income Driven Repayment for the William D. Ford Federal Direct Loan Program and the Federal Family Education Loan (FFEL) Program. Under that rule, the Saving on a Valuable Education (SAVE) income-driven repayment plan calculates payments based on a borrower’s income and family size – not their loan balance – and forgives remaining balances after a certain number of years. The SAVE plan is already providing millions of low-income borrowers with a \$0 monthly payment. Borrowers making payments are also not seeing their balances grow from unpaid interest. Borrowers will see even greater benefits when SAVE is fully implemented, including by providing full forgiveness to borrowers who borrow less than \$12,000 after 10 years of payments and getting more borrowers closer to forgiveness faster. The rule also helps military borrowers more easily earn credit toward forgiveness.

This resolution would put our record economic recovery at risk by reducing the consumer spending of millions of borrowers returning to repayment after a more than a three-year pause, and it would be particularly harmful for low- and middle-income borrowers, community college students, and borrowers who work in public service. For example, a typical first-year teacher with a bachelor’s degree will see a two-thirds reduction in total payments, saving more than \$17,000, while pursuing Public Service Loan Forgiveness. This resolution, if passed, would also be harmful to Black, Hispanic, American Indian, and Alaska Native borrowers who, on average, will see their total lifetime payments per dollar borrowed cut in half under this program. The SAVE plan is already helping close to 5.5 million Americans in every Congressional district as they return to student loan repayment by providing them with a plan that allows them to make affordable payments while also supporting their economic stability. This legislation would mean higher payments for student loan borrowers and would dramatically raise costs for graduates. It is exactly the wrong direction.

If the President were presented with S.J. Res. 43, he would veto it.

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