

# **Attorney General Raoul Calls For Cancellation Of Federal Student Loan Debt**

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**CHICAGO** – Attorney General Kwame Raoul, as part of a multistate coalition, today urged members of the U.S. House and Senate to adopt resolutions that call for the cancellation of up to \$50,000 in federal student debt owed by each and every federal student loan borrower nationwide.

In their letter to Congress, Raoul and the attorneys general stress the immediate need for relief for borrowers struggling with unmanageable student loan debt, which has only been exacerbated by the COVID-19 pandemic and current financial crisis. The resolutions – Senate Resolution 46 and House Resolution 100 – call on the president to exercise his authority to cancel up to \$50,000 in federal student loan debt per borrower.

“As the COVID-19 pandemic continues throughout the country, and with it economic uncertainty, student borrowers need relief now more than ever,” Raoul said. “Cancelling up to \$50,000 in student loan debt will allow those borrowers to pay rent, purchase groceries and meet other urgent financial needs.”

According to the letter, the existing repayment system for federal student loans provides insufficient opportunities for struggling borrowers to manage their debts. As many as one in five federal student loan borrowers are in default. Options for student borrowers to obtain relief have also proven to be inadequate. Only 2% of borrowers who applied for loan discharges under the Public Service Loan Forgiveness program have been granted a discharge, and efforts by state attorneys general to obtain student loan discharges for students defrauded by for-profit schools have been stymied during the past several years by the U.S. Department of Education.

The letter specifically highlights misconduct by for-profit schools and how the industry’s predatory practices have disproportionately harmed people of color. Raoul and the attorneys general state that cancelling federal student loan debt can substantially increase Black and Latino household wealth and help close the racial wealth gap.

The Illinois Attorney General’s office has long been a national leader in investigating violations of and enforcing consumer protection laws in the higher education field. Attorney General Raoul has obtained more than \$20 million in relief for Illinois borrowers who were defrauded by their schools. He also has overseen the rollout of the state’s first Student Loan Ombudsman, a position created by the Student Loan Servicing Rights Act, to provide resources for student borrowers who are struggling to make student loan payments.

Student borrowers who have questions or are in need of assistance can call the Attorney General’s Student Loan Helpline at 1-800-455-2456. Borrowers can also file complaints on the [Attorney General’s website](#).

Joining Raoul in sending today's letter are the attorneys general of Connecticut, Delaware, the District of Columbia, Hawaii, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New Mexico, New York, Oregon, Vermont, Virginia, Washington and Wisconsin.