

<https://www.forbes.com/sites/zackfriedman/2021/08/19/biden-cancels-58-billion-of-student-loans/?sh=75edbece3bc6>

Aug 19, 2021, 11:27am EDT | 31,959 views

Biden Cancels \$5.8 Billion Of Student Loans For Disabled Borrowers



Zack Friedman

Senior Contributor

[Personal Finance](#)

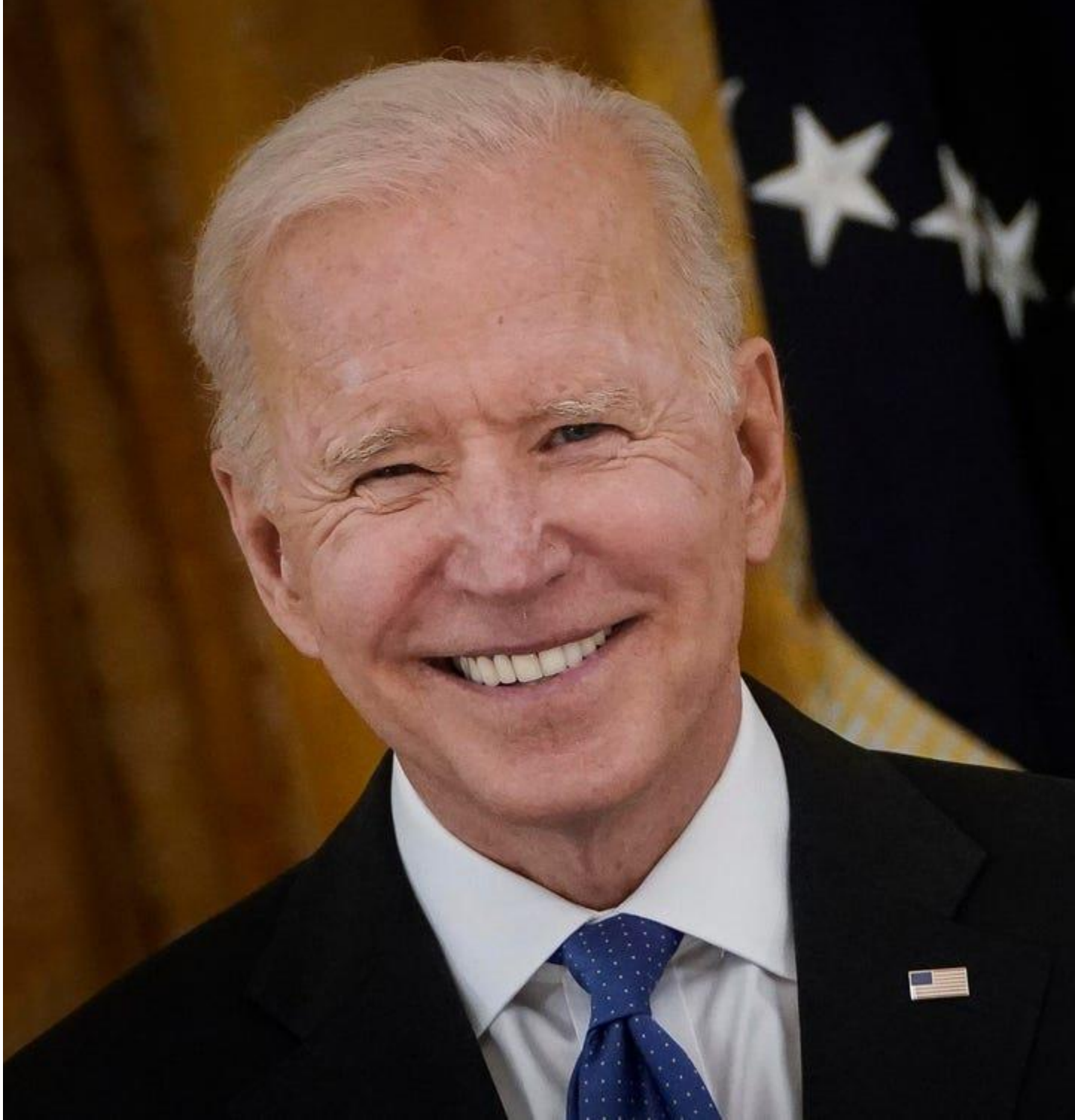
Bestselling Author, The Lemonade Life. I write and speak about leadership and greatness.

Follow

Listen to article

5 minutes

-
-
-



President Joe Biden(Photo by Drew Angerer/Getty Images)

GETTY IMAGES

This story is developing.

President Joe Biden cancelled another \$5.8 billion of student loans.

Here's what you need to know.

Student Loans

In the single largest student loan cancellation of his presidency, Biden enacted automatic student loan cancellation for 323,000 student loan borrowers who have a total and permanent disability (TPD). The automatic student loan discharge will occur through an existing data match with the U.S. Social Security Administration (SSA) starting next month. As part of this significant student loan forgiveness, the Education Department also will implement the following changes to make it easier to get student loan forgiveness. This includes:

- stop asking these student loan borrowers for their income to qualify for student loan cancellation; and
- pursue the elimination of the three-year income monitoring period.

PROMOTED

“Today's action removes a major barrier that prevented far too many borrowers with disabilities from receiving the total and permanent disability discharges they are entitled to under the law,” U.S. Secretary of Education Miguel Cardona said. “From day one, I've stressed that the Department of Education is a service agency. We serve students, educators, and families across the country to ensure that educational opportunity is available to all. We've heard loud and clear from borrowers with disabilities and advocates about the need for this change and we are excited to follow through on it. This

change reduces red tape with the aim of making processes as simple as possible for borrowers who need support.”

MORE FROM [FORBES ADVISOR](#)

Who Is The New Platinum Card From American Express Good For?

By

Eric Rosen

Contributor

President-Elect Joe Biden’s Plans For Your Student Loans

By

Kelly Anne Smith

Forbes Advisor Staff

What this student loan cancellation means for student loan borrowers

Student loan borrowers who have a total and permanent disability are eligible to have their federal student loans cancelled under the Higher Education Act of 1965. However, before these changes, these student loan borrowers faced [significant administrative burdens to get their student loans discharged](#). Earlier this month, a cadre of bipartisan issues, including Sen. Rob Portman (R-OH) and Sen. Tammy Duckworth (D-IL) called on Biden to [cancel student loans for 517,000 student loan borrowers](#) with a total and permanent disability. This new regulation will enable the Biden administration to cancel more student loans through automatic discharges for student loan borrowers who are identified through an administrative data matching process and by removing the burdensome requirement of completing an application to get student loan forgiveness. President Donald Trump removed the application

requirement in 2019 for student loan borrowers who matched for a TPD discharge with the U.S. Department of Veterans Affairs. However, now student loan borrowers who match with the U.S. Social Security Administration will be included as well. Student loan borrowers will receive notices of their approval for student loan cancellation within weeks after matching with the Education Department. Then, student loan cancellation through an automatic discharge should be completed by year end.

Education Department announces change to student loan cancellation

The Education Department will make a permanent change through the negotiated rulemaking process regarding the three-year income monitoring period to qualify for automatic student loan forgiveness due to total and permanent disability. Here's how:

- The Education Department will stop sending automatic requests for income information, including after the end of the Covid-19 pandemic;
- This extends an existing practice enacted in March 2021 for the duration of the Covid-19 pandemic; and
- During the negotiated rulemaking that starts in October, the Education Department will propose completely eliminating the three-year earnings monitoring period.

Biden has now cancelled \$9 billion of student loans

Biden has been moving aggressively to cancel student loans, including for student loan borrowers who have been [struggling financially during the Covid-19 pandemic](#). Prior to today's announcement, [Biden cancelled \\$3 billion of student loans](#) since becoming president. With today's student loan cancellation, Biden has enacted \$9 billion of student loan forgiveness as president. This includes:

- Biden has cancelled student loans for 455,000 student loan borrowers;
- Biden enacted \$1.3 billion in student loan cancellation for 41,000 student loan borrowers in March;
- Since March 2021, the Biden administration also cancelled more than \$1.5 billion in student loans through the borrower defense to repayment process for nearly 92,000 student loan borrowers; and
- [Biden has extended student loan relief twice](#), resulting in \$5 billion in savings each month for 41 million student loan borrowers. Through January 31, 2022, Biden's two extensions will result in [another \\$60 billion of student loan cancellation](#) for federal student loan borrowers.

Biden has continued to [pursue targeted student loan cancellation](#) rather than wide-scale student loan cancellation. There is no guarantee there will be any wide-scale student loan cancellation, which means you should understand your alternative options for student loan repayment. Here are some smart ways to [pay off student loans](#) and save money:

- [Student loan refinancing](#)

- [Income-driven repayment plans](#)
- [Public service loan forgiveness](#)

Student Loans: Related Reading

[Here's what Biden's student loan relief means for your student loans](#)

[Infrastructure package includes vehicle miles tax program](#)

[Student loan cancellation became focus today on Capitol Hill](#)

[Student loan cancellation may help more borrowers, but that doesn't mean Biden will cancel everyone's student loans](#)