



Tuesday, November 2, 2021

Department of Education
Secretary Miguel Cardona
400 Maryland Ave SW
Washington, DC 20202

Dear Secretary Cardona,

We write today concerned that the Department of Education may be unfairly leaving taxpayers on the hook for billions of dollars in fraudulently forgiven student loans. The “Borrower Defense to Repayment” (BDTR) program has been abused by borrowers, and the problem under your watch is getting worse.

Millions of Americans pay their student loans on time – it is not fair that others see their debts wiped clean for frivolous reasons, and your department should not encourage it.

Under the Biden administration, The Department of Education has been quietly transferring billions of dollars in student loans to taxpayers and is considering doing so with tens of billions more. As of September 2021, your department [had already forgiven \\$9.5 billion in student loan debt](#). It is clear that the American public does not support wholesale student debt forgiveness, so it is unfortunate that this Administration would use the BDTR’s covert regulatory maneuvers to potentially shift the cost of the education received by millions of students onto the backs of hardworking taxpayers.

[Internal agency documents have revealed that the Department of Education is planning a mass discharge](#) of claims, many of which are meritless, providing winning lottery tickets for scammers. The Department of Education needs to review these claims on a formal, evidence-based basis and spell out for the American people what process it is going to use to adjudicate these claims fairly.

BDTR is meant to help students who are genuinely defrauded by their schools. In theory, it is a good policy that will keep schools accountable and help protect students from exaggerated guarantees. Regrettably, it appears your department is attempting to leverage this provision to create broad loan forgiveness to anyone who attended a for-profit school, validating a vast number of bogus claims along with the much more limited pool of legitimate ones. This effort includes seeking to eliminate the requirement for students even to provide evidence for their claims, eliminating the statute of limitations, and giving short shrift to evidence provided by schools. The expense to taxpayers would be immense and unjustified — particularly if the low evidentiary bar established for claims against the for-profits becomes precedent for claims against universities generally.

If the Biden administration succeeds in leveraging BDTR to the extent they want and it becomes a blanket policy of forgiveness, it will be dangerous and expensive for American taxpayers -- putting taxpayers at risk for an unknown portion of the current [\\$1.6 trillion](#) in student indebtedness.

Secretary Cardona, you must take control of your department and only approve the genuine, supported, and justified claims. BDTR must be used appropriately, or the American taxpayer will be financing unjustified claims for decades to come.

Sincerely,

Center for a Free Economy

Americans for Tax Reform

Consumer Action for a Strong Economy

60 Plus Association

Center for Freedom and Prosperity

Institute for Liberty

American Commitment

Less Government

Young Voices

Rio Grande Foundation

Mississippi Center for Public Policy

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