



The Daily Dish

# Student Loans (Again)

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The worst kept non-secret in domestic policy is progressives' desire for the president to forgive every cent of student loan debt owed to the federal government. Eakinomics is exhausted by the illogic of this proposal and is walking around with a student-loan blood pressure of roughly 200/110. So, it is probably not a good idea to get into forgiveness again, but here we go.

There is in the student loan world the notion of a borrower defense to repayment ("BDR") claim, in which a borrower requests the discharge of his or her loans based on alleged misconduct by the school the borrower attended. Since 2019, the Department of Education (ED) has been the defendant in a [class action lawsuit](#) brought to force ED to process BDR claims because it had ceased consideration of BDR claims altogether.

That's right. The Department of Education had simply stopped doing its job. The plaintiffs sued to force ED to do its job. That's it.

Now it gets interesting. As is not uncommon, ED decided to settle the suit and end litigation. But rather than settle by meeting the plaintiffs' request, it went way, way, way further. It decided to presumptively assume that *anyone* who attended 153 colleges implicated in the suit had been subject to misconduct and will have their loans forgiven. Everyone.

Sometimes an act serves its purpose. Occasionally, you get a "two-fer" that satisfies two goals simultaneously. But very rarely does one see the infamous policy trifecta. But here it is. First, ED *still* doesn't have to do its job. Never did it, never will. Just fabulous.

Second, it provides loan forgiveness of at least \$6 billion – and who knows how many more attendees will come out of the woodwork? – via the legal settlement and without a stroke of the president's pen. It will take [more](#) to satisfy the progressive left, but \$6 billion is still real money in some circles.

Finally, it just happens that all 153 colleges are for-profit institutions. The left's enmity of the for-profit sector is legendary. It must be terribly satisfying to have them legally labeled as presumptively guilty of misconduct.

One can only pray that at some point in the future the same amount of energy and creativity is devoted to actually fixing the student loan program as has been expended to help borrowers abuse it.