

Press Release



Assessing the Administration's Freeze of Student Loan Interest Payments

ALLISON EDWARDS | MARCH 16, 2020

In response to the coronavirus pandemic, the Trump Administration recently announced that it will temporarily waive interest payments on federal student loans. This action will have only a limited economic impact, however, and it does nothing in the short term to change monthly student loan repayments, argues AAF's Director of Financial Services Policy Thomas Wade. It is also unclear if either the president or the Department of Education has the legal or statutory authority to make this change, Wade notes.

An excerpt:

The Trump Administration has embarked on a program far short of student loan forgiveness that rests on dubious authority, has communicated nothing in the way of how it will be operationalized, and ultimately will provide little relief to those with student debt over the long term and none in the short. Although more (really, any) details are expected to come over the next few days, this measure can reliably be dismissed as a PR stunt and nothing that will provide any economic stimulus or relief.

[Read the analysis.](#)