

Statement of NCLC's Persis Yu re: extension of student loan payment pause until 2022

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Statement of Persis Yu, the director of National Consumer Law Center's Student Loan Borrower Assistance Project, in response to announcement that the student loan payment suspension has been extended until January 31, 2022.

Washington, D.C. - "Borrowers are collectively taking a huge sigh of relief at the news that the federal student loan payment pause has been extended once again. The student loan system is not ready to resume repayment on October 1 and President Biden has made the right decision to postpone repayment.

With the recent exit of the Pennsylvania Higher Education Assistance Agency (AKA "FedLoan Servicing") and the New Hampshire Higher Education Loan Corporation (AKA "Granite State Management & Resources"), there are too many moving parts to successfully start federal student loan repayment. By extending the payment suspension, President Biden is preserving the wages and social security benefits of millions of borrowers in default. While the payment suspension is still in place, the President must take meaningful steps to improve the student loan system. This should include using his authority to provide borrowers with widespread student debt cancellation, and removing student loan accounts from default so that millions of borrowers in financial distress do not face seizure of their wages, social security benefits, and vital tax credits-including the Earned Income Tax Credit and Child Tax Credit-when the payment pause ends."