

HOUSE RESOLUTION NO. 323

Reps. Fink, Beeler, Carra, Meerman, Allor and Bollin offered the following resolution:

1 A resolution to urge Congress to repeal the William D. Ford
2 Federal Direct Loan Program.

3 Whereas, The William D. Ford Federal Direct Loan Program,
4 authorized under Title IV of the Higher Education Act of 1965, is
5 the U.S. Department of Education's federal student loan program.
6 The program provides Direct Subsidized Loans, Direct Unsubsidized
7 Loans, Direct PLUS Loans, and Direct Consolidation Loans to
8 eligible borrowers; and

9 Whereas, Despite having been established to make higher
10 education an attainable reality for all Americans, the federal
11 students loans program has instead facilitated a new array of
12 problems, including precipitous rise of tuition costs, making

1 higher education more expensive and unaffordable for many
2 Americans; and

3 Whereas, The loans have also contributed to a student loan
4 debt crisis in the United States, with about 45 million borrowers
5 holding over \$1.6 trillion in federal student loan debt alone. The
6 average amount owed is nearly \$30,000 per borrower. Student loan
7 debt is now the second highest consumer debt category behind
8 mortgage debt; and

9 Whereas, The massive amount of student loan debt is a burden
10 on the entire economy. Because of this debt, many Americans are
11 struggling to become homeowners, save for retirement, and
12 contribute to the economy in other ways; and

13 Whereas, In response to financial and economic hardships
14 caused by the COVID-19 pandemic, the U.S. Department of Education
15 announced a pause on student loan repayment, interest, and
16 collections in 2020. After several extensions, the pause is
17 currently set to end on August 31, 2022; and

18 Whereas, The Consumer Financial Protection Bureau recently
19 found that over five million people face serious financial risk
20 once payments resume. Borrowers who face difficulty paying their
21 debt face delinquency and default; and

22 Whereas, If borrowers can no longer be expected to pay their
23 student loan debt, the federal government must stop issuing it.
24 Additionally, discontinuing the issuance of federal student loans
25 could prevent economic crises in the future; now therefore be it

26 Resolved by the House of Representatives, That we urge
27 Congress to repeal the William D. Ford Federal Direct Loan Program;
28 and be it further

29 Resolved, That copies of this resolution be transmitted to the

- 1 Speaker of the United States House of Representatives, the
- 2 President of the United States Senate, and the members of the
- 3 Michigan congressional delegation.