



News

Vaishali Rao Discusses Federal Student Loan Forgiveness Proposals in ACA Daily Newsletter

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In an *ACA Daily* report, Hinshaw attorney Vaishali Rao weighed in on the issue of student loan forgiveness plans currently being considered at the federal level. According to media reports, the Biden Administration is "making a decision now" on student loan forgiveness.

Rao was blunt in her analysis: student loan forgiveness "won't fix the problem." She noted that new entrants are coming into the system who are going to face all of the same issues that people who entered the system just a few years ago or longer did. According to Rao, the main issues are "why has the cost of education increased so much? Why are borrowers unable to access affordable education? Why is the debt so high?" These are the questions she thinks are rightly placed with the federal government because they speak to the long-term health of the higher education system.

Rao also commented on the decision by the U.S. Department of Administration and the Biden Administration to extend student loan forbearance and interest until May 1, 2022.

"I'm not surprised given the uptick in COVID cases, with more restrictions and therefore more consequences to the overall economy," she said. "The extension helps give the administration more time to determine how to handle 'forgiveness' as a broader concept. Hopefully, it will not be confusing since Servicers already advised borrowers payments were resuming."

"[Insights: Across the Board Student Loan Forgiveness is Regressive](#)" was published by *ACA Daily* on February 1, 2022. (*full article available to members only*)

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