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## TAXES

# Biden's Student Loan Relief Plan is Blocked Indefinitely by Court

Monday's ruling by an appeals court bars the forgiveness of as much as \$20,000 of debt to qualified borrowers.

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The U.S. government can't discharge any student loans under President Joe Biden's massive debt forgiveness plan because a federal appeals court blocked the program indefinitely.

Monday's ruling bars the forgiveness of as much as \$20,000 of debt to qualified borrowers nationwide while the 8th U.S. Circuit Court of Appeals in St. Louis considers a request from six Republican-led states to revive their legal challenge to the plan. A district court judge dismissed the states' lawsuit on Oct. 20.

The appeals panel said the impact of the debt forgiveness would be irreversible, compared to the lack of harm stemming from an extension of the injunction. Implementation of the plan has been on hold since Oct. 21 when the appeals court issued an emergency stay.

The appeals court ruling is another major setback for the Biden administration's plan, which has faced a slew of legal challenges from conservative groups since its inception. On Thursday, a federal judge in Texas declared the debt forgiveness plan unlawful in a separate lawsuit, prompting the U.S. Department of Education to stop accepting applications for loan forgiveness for the time being.

About 26 million people had already applied under the plan which calls for as much as \$20,000 to be forgiven for qualified borrowers making less than \$125,000 a year, or \$250,000 for households.

Nebraska, Missouri, Arkansas, Iowa, Kansas and South Carolina sued to block the plan in September, arguing that it poses a financial threat to each state in the form of lost tax revenue.

In defending the program as lawful, the Biden administration argued in court filings before the 8th Circuit that if it must be put on hold, the debt relief should be paused only for borrowers in the six states behind the lawsuit. The court declined to do so, writing in Monday's order that limiting the injunction to the named states would "be impractical and would fail to provide complete relief."

The case is *Nebraska v. Biden*, 22-3179, 8th US Circuit Court of Appeals.

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