

## Student Debt Annulment a Top Priority for New Education Official

- Senate confirms James Kvaal to oversee higher education
- Will navigate loan forgiveness, college regulations

By Andrew Kreighbaum | September 14, 2021 12:38PM ET

The Senate Tuesday confirmed James Kvaal as under secretary of education, a role in which he'll confront thorny questions on debt forgiveness, student loan repayments, and litigation against the agency over Trump-era policies.

Kvaal won Senate confirmation on a 58-37 vote. He will oversee Education Department policy governing federal student aid and higher education programs. He previously served as president of the Institute for College Access and Success, a group that advocates for college affordability.

Advocates for student borrowers are counting on Kvaal to provide even broader relief to people struggling with student loan debt, including public servants and former students of for-profit colleges. The Biden administration has already canceled nearly \$10 billion in debt for permanently disabled borrowers and defrauded students who attended for-profit colleges like ITT Tech.

Kvaal, a White House Domestic Policy Council official under President Barack Obama, got a close-up look at many of those issues as head of the education transition team for the campaign of President Joe Biden.



Photographer: Ty Wright/Bloomberg

Students wearing protective masks study inside on the first day of classes at Ohio State University in Columbus in August 2020.

"He knows how to manage within a government agency, whether it's on the regulatory front or just moving initiatives across the finish line," said Aaron Ament, president of the National Student Legal Defense Network.

Kvaal will juggle a set of tasks stretching well beyond debt cancellation. The Biden administration has outlined an ambitious rulemaking agenda for higher education that includes student protections and tougher accountability for colleges that offer programs with little financial payoff.

"A lot of what the Biden administration wants to accomplish will be done through executive branch action," said Terry Hartle, senior vice president of government relations and public affairs at the American Council on Education. "James is the focal point for everything that the administration wants to accomplish" in higher education.

### Debt Forgiveness

The Education Department under Biden has put forth new or expanded loan relief for disabled borrowers, borrowers in default, and defrauded borrowers.

In August, more than 300,000 disabled borrowers got automatic debt relief and more than 115,000 former ITT Tech students had their loans canceled. Ament's group and other advocates have called for similar assistance to borrowers who attended other shuttered for-profit colleges.

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The Education and Justice Departments, meanwhile, are reviewing whether the president can cancel student debt broadly by executive action, as demanded by progressive lawmakers like Sen. Elizabeth Warren (D-Mass.). So far Biden has resisted such a move.

The Senate vote took place months after Kvaal's confirmation hearing and committee vote, where he won bipartisan support. Warren, the chief proponent of broad student debt relief, blocked the nomination while seeking changes from the Biden administration on management of the federal loan portfolio. She later dropped her objections after "productive conversations" with Kvaal.

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Stalled Biden Pick for Higher Education to Get Senate Vote

In his confirmation hearing, Kvaal outlined the type of debt relief the administration backs for three types of borrowers—those struggling during the pandemic, public sector workers, and borrowers with high debt and low incomes.

"That's a good structure for thinking about how do we identify those loans that are weighing people down, and that they're struggling with and unable to afford," he told lawmakers in April.

He didn't specify a dollar amount for across-the-board loan forgiveness.

Borrower advocates say the Education Department could provide relief in other ways. More than 100,000 claims alleging fraud or deception by colleges were still pending agency decisions in April, according to Federal Student Aid data.

"They just need to clear the backlog," said Persis Yu, staff attorney at the National Consumer Law Center. "We have clients who have been waiting since the last administration to have claims approved. It's inexcusable at this point."

## Loan Repayment

One of the most pressing issues facing Kvaal is ending the moratorium on federal student loan payments that's been in place for almost a year and a half.

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President Donald Trump halted loan payments in response to the coronavirus pandemic in March last year, a pause that's been extended multiple times, most recently in August by the Biden administration. With the moratorium now set to expire Jan. 31, the Education Department will have to work with student loan servicers to notify 45 million borrowers about repayment requirements.

"It will need to be an all-hands-on-deck effort," said Julie Peller, executive director of Higher Learning Advocates and a former staffer on the House Education and Labor Committee.

An Education Department spokesperson said the agency is working on a range of executive actions on student debt relief. Addressing the moratorium on federal student loan payments and the backlog of borrower defense claims are also top priorities, the official said.

Teachers Drowning in Debt Face U.S. Moratorium End With Dread

## For-Profit Colleges

Biden campaigned on restoring Obama-era student loan rules that cracked down on for-profit colleges. That process would likely take a year or more and require consultation of groups—such as colleges and borrowers—that would be affected by the proposed rules.

Obama's borrower defense rule, issued in 2016, laid out a path for student borrowers to seek cancellation of their federal loans if their colleges misled or defrauded them. Trump's education secretary, Betsy DeVos, set a higher bar for borrowers to get loan relief in an overhaul in 2019.

Under Obama, Kvaal helped craft a gainful employment rule that aimed to cut off federal student aid for vocational programs whose graduates left with unmanageable student debt. DeVos scrapped that rule in 2017, arguing the same accountability should apply to all college programs. Biden has promised his team will reverse that decision.

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