

RESOLUTION

Student Debt Relief

WHEREAS, the COVID-19 pandemic has impacted every aspect of life in the United States of America; and

WHEREAS, as a result of stay-in-place, shutdown and quarantine orders, unemployment levels have reached levels not seen since the Great Depression; and

WHEREAS, more than 40 million Americans, mostly people under 35 years of age, have student loan debt; and

WHEREAS, in response to the COVID-19 pandemic, Congress began enacting legislation in early March 2020 to provide funding for health care, states, and businesses; and

WHEREAS, as the impact of the pandemic grew in America, Congress continued to expand federal relief; and

WHEREAS, the *Coronavirus Aid, Relief, & Economic Security (CARES) ACT*, a \$2 trillion package, was passed by Congress with overwhelming bipartisan support and signed into law by the President on March 27, 2020; and

WHEREAS, included in the CARES ACT are provisions addressing relief concerning student loans, including:

- Section 3513 of the CARES Act, which provides temporary relief for Federal student loan borrowers, requiring the Secretary of the Treasury to defer student loan payments, principal, and interest for 6 months, through September 30, 2020, without penalty to the borrower for all federally owned loans., thus providing relief for over 95 percent of student loan borrowers; and

WHEREAS, In May 2020, the U.S. House of Representatives passed the HEROES Act, a \$3 trillion stimulus package which contains in Title V thereof, expanded provisions regarding student loan forgiveness, including

- Section 110501, which provides certain relief from payments for private education loan borrowers as a result of the COVID-19 pandemic and extends existing CARES Act student loan payment and consumer protections, such as debt collection prohibitions, to private loan borrowers, who are currently not covered by the CARES Act, and provides up to \$10,000 in debt relief to be applied to a private student loan, with the Treasury Department making monthly payments on behalf of the borrower up to \$10,000 until September 2021; and
- Section 110502, which provides additional protections for private student loan borrowers, such that as the Treasury Department will be making payments on behalf of borrowers under this title, this section requires private student servicing companies that receive funds to offer income driven repayment plans, and payments or forbearance under this title will not impact applicable State statutes of limitation, and, this section instructs the Treasury Department to apply any unused portion of the up to \$10,000 forgiveness amount to any remaining outstanding private loan balance when borrower payments resume; and

WHEREAS, the United States Senate has yet to consider the HEROES Act;

NOW, THEREFORE, IT IS RESOLVED THAT the New York State Bar Association (NYSBA) urges the United States Senate to pass legislation promptly containing, *inter alia*, student debt relief as provided in Title V of the HEROES Act; and

IT IS FURTHER RESOLVED THAT the New York State Bar Association (NYSBA) urges the President of the United States to sign such legislation into law; and

IT IS FURTHER RESOLVED THAT the president of the New York State Bar Association take all steps available to communicate to members of Congress, NYSBA members and the public this Association's strong support for student debt relief in these challenging times.

