

RESOLUTION

WHEREAS, Any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state, or federal governmental body or agency must first have been adopted in the form of a resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, nearly 43 million Americans hold more than \$1.56 trillion of federal student loan debt at an average balance of \$36,406; and

WHEREAS, women hold two-thirds of all student debt, African American borrowers have higher than average levels of student debt, most borrowers have more than half of their student debt after 12 years of repayment, 40% of student loan borrowers did not finish college or obtain a degree, more than eight million student loan borrowers are over the age of 50; and

WHEREAS, cancelling student debt would increase African American wealth by one third, increase GDP by billions of dollars, add up to 1.5 million new jobs, and make it more likely for people to start or invest in a small business, obtain more advanced degrees, start a family, and buy a house; and

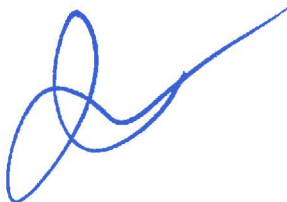
WHEREAS, on January 20, 2021, the COVID-19 emergency relief measures, which suspended loan payments, stopped collection on defaulted loans, and set interest rates to zero percent of Department of Education-owned loans, were extended through September 30th, 2021; and

WHEREAS, Congress granted the Secretary of Education the legal authority to broadly cancel student debt under section 432(a) of the Higher Education Act of 1965 (20 U.S.C. 1082(a)) which grants the authority to "... compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right of redemption"; and

WHEREAS, President Biden and Secretary of Education Cardona used their legal authority derived from the Higher Education Act of 1965 on March 18, 2021 and March 29, 2021 when they cancelled \$1 billion of student loans for 72,000 defrauded student loan borrowers, and \$1.3 billion of student loans for another 41,000 borrowers with permanent disabilities.

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this resolution, the City of Los Angeles hereby recognizes the Secretary of Education's legal authority through the Higher Education Act of 1965 (20 U.S.C. 1082(a)) to broadly cancel student debt, and calls on President Biden to direct Secretary of Education Cardona by Executive Order to administratively cancel all student debt before payments resume on September 30th, 2021.

PRESENTED BY:



SECONDED BY:



MIKE BONIN
Councilmember, 11th District



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