

Youth speak out against the resumption of student loan payments

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After more than a three-year pause due to the pandemic, federal student loan payments resume this month for tens of millions of American borrowers. Despite the desperate financial situation millions of borrowers find themselves in, President Joe Biden signed into law the requirement that all student loan accounts be reactivated.

According to the Department of Education, there are more than 45 million student loan borrowers, but only 28 million of them will be required to immediately resume payments in October. The remaining 17 million will still have their accounts paused for reasons such as they are still in school, in default or are waiting for their debt to be discharged.

All outstanding balances will continue to accrue interest, as they have since September 1, after Congress agreed last May, in the bipartisan deal to raise the federal debt ceiling, to forbid any further extensions on the payment pause.

Many households will now be burdened with a new monthly bill during an especially volatile period, with the highest interest rates in decades and a looming government shutdown.

The *World Socialist Web Site* spoke to a number of students in Texas—who are overwhelmingly opposed to the resumption of payments—about the impact the renewal of payments would have on them and their families. Hazel, a student attending the University of Houston-Downtown, explained that her family's finances were already strained before the end of the payment pause.

"I've had to make a lot of sacrifices to attend school this year. I'm working full-time and I have a full course load this semester," Hazel said. "I normally skip breakfast because every dollar I make is already accounted for. Students shouldn't have to go into debt

to improve their lives. It's gotten out of control."

Even prior to the pandemic pause, it was already known that student loan payments were tightening the finances of millions of Americans and hindering major life decisions such as starting a family or buying a home.

However, according to the credit reporting company TransUnion, many student loan borrowers have taken on additional debt during the payment pause. Nearly a third of Americans with student debt put a balance on a new credit card over the last three years and about 15 percent took out a personal loan.

The Consumer Financial Protection Bureau (CFPB) also found that student loan borrowers have fallen deeper into debt over the last few years of the pandemic. More than half of borrowers had higher monthly debt-related expenses than they did when loan payments were paused in March 2020. Additionally, more than one in 13 borrowers are currently behind in other debt payments, the CFPB says.

Saraa, an international student from Austin Community College, said she had to attend ACC because of the exorbitant cost of education in the United States.

"We're all college students and we're here at ACC because it's cheaper, so a lot of us are struggling."

Referring to the way in which students' "expected contributions" are calculated by colleges she said:

"I know people who were denied grants and denied FAFSA because their household income was better but they still needed it for other stuff."

"Austin is getting more expensive by the month," Saraa added, when asked about inflation.

She also stated that she knows students who must take off every other semester to work to pay for school.

When asked if she thought higher education is a right,

she responded, “of course; it’s a necessity” and explained that a college degree is essential to getting a decent-paying job. When asked about student loan forgiveness, she agreed that everyone should have their balances forgiven.

Josh, another student from ACC, said the student loan crisis exposes the bankruptcy of the capitalist system.

“The resumption of repayment on student loan debt serves as yet another reminder that the existing political setup has nothing to offer us as youth and students,” Josh said.

“It’s a domino effect. Biden tells us to come out and vote while dangling things like debt forgiveness over our heads. Then it turns out Biden lied. So the fake socialists like AOC and Greg Casar come out and say we have to somehow pressure Biden by—guess what—voting for him! How many times are we going to play ring-around-the-rosie with these swindlers? We know how it ends already. It’s time for us to take things into our own hands.”



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