

# SUPREME COURT OF THE UNITED STATES

## Biden v. Nebraska

600 U.S. \_\_\_\_ (2023) · No. No. 22-506 · Decided June 30, 2023

### SUMMARY

The Supreme Court held that Missouri had standing to challenge the federal student-loan forgiveness program because the program would financially harm the Missouri Higher Education Loan Authority, an instrumentality of the State. On the merits, the Court held that the HEROES Act does not authorize the Secretary of Education to cancel approximately \$430 billion in student-loan principal, concluding that the program exceeded the Secretary’s authority and lacked clear congressional authorization. The Court reversed and remanded.

### CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                      |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | Supreme Court of the United States                                                                                                                                                                                                                                                                                   |
| WRITING FOR THE COURT | Chief Justice John G. Roberts, Jr.; Chief Justice Roberts; Justice Thomas; Justice Alito; Justice Gorsuch; Justice Kavanaugh; Justice Barrett                                                                                                                                                                        |
| JURISDICTION          | Federal                                                                                                                                                                                                                                                                                                              |
| DECIDED               | June 30, 2023                                                                                                                                                                                                                                                                                                        |
| DOCKET                | No. 22-506                                                                                                                                                                                                                                                                                                           |
| DISPOSITION           | reversed_and_remanded                                                                                                                                                                                                                                                                                                |
| PROCEDURAL POSTURE    | Six States challenged the Secretary of Education's student-loan cancellation plan under the HEROES Act. The District Court for the Eastern District of Missouri dismissed for lack of standing; the Eighth Circuit issued a nationwide preliminary injunction; the Supreme Court granted certiorari before judgment. |
| STANDARD OF REVIEW    | De novo review of statutory interpretation and standing questions; the Court independently determined whether Article III standing existed and whether the HEROES Act authorized the challenged program.                                                                                                             |
| PRECEDENTIAL VALUE    | binding                                                                                                                                                                                                                                                                                                              |
| PARTIES               | Joseph R. Biden, President of the United States, et al. v. Nebraska, et al.                                                                                                                                                                                                                                          |

### TOPICS

statutory interpretation

administrative law

judicial review of agency action

federal spending

separation of powers

## PRACTICE AREAS

administrative law

education law

constitutional law

federal courts

government benefits

## QUESTIONS PRESENTED

1. Whether Missouri had Article III standing based on financial harm to MOHELA, a state-created public corporation.
2. Whether the HEROES Act authorized the Secretary of Education to establish a nationwide program canceling approximately \$430 billion in federal student-loan principal.
3. Whether the statutory terms "waive or modify" permit the Secretary to replace existing loan-discharge provisions with a fundamentally new debt-forgiveness regime.
4. Whether the major questions doctrine required clear congressional authorization for the challenged program.

## HOLDINGS

1. Missouri had standing because MOHELA is an instrumentality of Missouri, and the financial harm to MOHELA caused by the loan-cancellation program was a direct injury to Missouri.
2. The HEROES Act authorizes the Secretary to waive or modify existing statutory or regulatory provisions applicable to Title IV financial-assistance programs, but it does not authorize the Secretary to rewrite the Education Act and create a fundamentally new program canceling approximately \$430 billion in student-loan principal.
3. Because the student-loan cancellation plan had extraordinary economic and political significance, the Secretary was required to identify clear congressional authorization; the HEROES Act provided no such authorization.

## KEY QUOTATIONS

*"We hold today that the Act allows the Secretary to "waive or modify" existing statutory or regulatory provisions applicable to financial assistance programs under the Education Act, not to rewrite that statute from the ground up." (12)*

*"However broad the meaning of "waive or modify," that language cannot authorize the kind of exhaustive rewriting of the statute that has taken place here." (18)*

*"The basic and consequential tradeoffs inherent in a mass debt cancellation program are ones that Congress would likely have intended for itself." (25)*

## FACTUAL BACKGROUND

In 2022, the Secretary of Education invoked the HEROES Act to establish a program canceling up to \$10,000 of federal student-loan debt for eligible borrowers and up to \$20,000 for eligible Pell Grant recipients. The program was projected to cancel approximately \$430 billion in principal and affect nearly all federal student-loan borrowers. Missouri created MOHELA, a public corporation that services federal student loans and would allegedly lose approximately \$44 million annually in servicing fees because of discharged accounts.

## PROCEDURAL HISTORY

The States moved for a preliminary injunction against the loan-forgiveness program. The Eastern District of Missouri held that none of the States had standing and dismissed the action. The Eighth Circuit concluded that Missouri likely had standing through MOHELA and entered a nationwide preliminary injunction. The Supreme Court granted certiorari before judgment, held that Missouri had standing, rejected the Secretary's statutory-authority argument, reversed, and remanded.

## DISPOSITION

reversed\_and\_remanded

## REMAND INSTRUCTIONS

The judgment of the District Court for the Eastern District of Missouri was reversed and the case was remanded for further proceedings consistent with the opinion. The Government's application to vacate the Eighth Circuit's injunction was denied as moot.

## CASES CITED

- Lujan v. Defenders of Wildlife, 504 U.S. 555, 560-561 (1992)
- Arkansas v. Texas, 346 U.S. 368 (1953)
- Lebron v. National Railroad Passenger Corporation, 513 U.S. 374, 397 (1995)
- MCI Telecommunications Corp. v. American Telephone & Telegraph Co., 512 U.S. 218, 225, 228, 231, 234 (1994)
- West Virginia v. EPA, 597 U.S. \_\_\_\_ (2022)
- Utility Air Regulatory Group v. EPA, 573 U.S. 302, 324 (2014)
- King v. Burwell, 576 U.S. 473, 485-486 (2015)
- Alabama Assn. of Realtors v. Department of Health and Human Services, 594 U.S. \_\_\_\_ (2021) (per curiam)
- Rumsfeld v. Forum for Academic and Institutional Rights, Inc., 547 U.S. 47, 52 n. 2 (2006)
- Department of Transportation v. Association of American Railroads, 575 U.S. 43, 53-54 (2015)
- First Nat. City Bank v. Banco Para el Comercio Exterior de Cuba, 462 U.S. 611, 624 (1983)
- Descamps v. United States, 570 U.S. 254, 274 (2013)
- Brown & Williamson Tobacco Corp., 529 U.S. 120, 159-160 (2000)