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## **NCLA Asks Sixth Circuit to Revive Suit Over Dept. of Education's Illegal Student Loan Payment Pause**

*Mackinac Center for Public Policy v. U.S. Department of Education; Sec'y of Education Linda McMahon, in her official capacity; and James Bergeron, Chief Operating Officer of Federal Student Aid, in his official capacity*

**Washington, DC (June 6, 2025)** – The New Civil Liberties Alliance filed an [opening brief](#) today asking the U.S. Court of Appeals for the Sixth Circuit to reverse a district court's dismissal, for lack of standing, of our *Mackinac Center for Public Policy v. Dept. of Education* lawsuit against the Department's unlawfully forgiving 35 months of interest on student loans. Without any statutory authority, the Department extended Congress's original six-month interest forgiveness and payment suspension for nearly three more years, cancelling debt in violation of the Constitution's Appropriations Clause at a cost of at least \$175 billion to taxpayers, harming the Mackinac Center in the process. This scheme injures public-service employers like Mackinac by reducing the financial incentives for (potential) employees to participate in the Public Service Loan Forgiveness (PSLF) program. The Sixth Circuit should decide Mackinac does have standing and require the district court to hear the case on the merits against the Department's unlawful policy.

Established by Congress, the PSLF program allows employees to have their student-loan debt forgiven after ten years of work with one or more public-service employers. When the Department excused debtors from paying interest on their loans, it decreased—dollar for dollar—the wage subsidy the program promised to public-service employers like the Mackinac Center, making it more expensive for them to keep compensating their PSLF employees at the same level.

The economic harm caused by the Department's unlawfully excusing student-loan debtors from honoring their obligations is enough, on its own, to require the government to answer for its actions in court. But in addition to that, the Department's lawless decisions also skewed the labor market in a way that frustrates the congressionally-designed PSLF program, increases the cost for the Mackinac Center to compete for college-educated employees, and costs taxpayers billions. The Department caused these injuries, and now the Court of Appeals should make sure it must answer for them.

### **NCLA released the following statements:**

“Governmental agencies cannot blithely ignore the law without expecting to answer for the harm their unlawful actions cause organizations like the Mackinac Center. We trust the Court of Appeals will make that clear to the Department of Education.”

— **Daniel Kelly, Senior Litigation Counsel, NCLA**

“The Department of Education under Secretary McMahon should settle this case. What possible reason does it have to keep defending the lawless regime instituted by former Secretary Miguel Cardona and Richard Cordray to forgive student-loan debt—or in this case interest on that debt—without authority from Congress?”

— **Mark Chenoweth, President, NCLA**

**For more information visit the case page [here](#).**

## ABOUT NCLA

[NCLA](#) is a nonpartisan, nonprofit civil rights group founded by prominent legal scholar [Philip Hamburger](#) to protect constitutional freedoms from violations by the Administrative State. NCLA's public-interest litigation and other pro bono advocacy strive to tame the unlawful power of state and federal agencies and to foster a new civil liberties movement that will help restore Americans' fundamental rights.

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