

U.S. House of Representatives – JUDICIARY COMMITTEE “mark-up” meeting

Date: TUESDAY, 29 September 2020 – from 02:19:47 P.M. to 05:13:30 P.M.

VIDEO NOTES

Subject: Many “bankruptcy” related bills were “marked up” and accepted to be placed on the schedule for a full House vote—including H.R.2648, the “Student Borrower Bankruptcy Relief Act of 2019,” which is quite unexpectedly controversial – *hence these video notes.*

Authors: The video is published by the U.S. House of Representatives, but these notes are done by Gordon Wayne Watts, Political writer and Editor-in-Chief, *The Register* (GordonWatts.com and GordonWayneWatts.com)

Editor's Note: The *.mp4 video file was 02:53:39 long; however, one would expect it to be 02:53:43 long, e.g., the time difference between 2:19:47 P.M. and 5:13:30 P.M., but the video file is probably 4 seconds shorter than “reality” due to video sync issues: Even computers are human, after all! [ALSO: When posting on Facebook, however, I was limited to 2-hours or less, so that video began at 1:08:00 of the source vid, and was 1:08:00 shorter, thus it was not 02:53:39, but rather, 01:45:39 in length. All other mirrors have full version.]

[THIS transcript is uniquely for the “Facebook” version of this video: As stated above, it was shortened to meet “video length” requirements by Facebook—which would not allow me to upload the original source video—because it was “over 2 hours.” – For the original source video, please see the other download mirror websites.]

00:00:00 – H.R.2648 (Student Loan Borrower BK Act of 2019) called up for purposes of MARKUP. Chair moves committee to report this bill favourably to The House. He makes excellent opening remarks. – **00:04:25**

00:04:25 – Rep. Kelly Armstrong (ND-AL) rises in opposition to H.R.2648. He admits the skyrocketing costs of college & debt crisis facing taxpayers, but (falsely) claims H.R.2648 puts taxpayers on the hook and that it “incentivizes” students to borrow huge amounts because they can file BK and not pay back. **Editor's Note:** FALSE! This phenomenon of bankruptcy abuse did NOT occur back when we had full-and-complete bankruptcy availability to American college loans, just a few decades back in the past—thus, NO reason exists to believe that this phenomenon would occur now should we revert back to the legal standards of the recent past:

Back when we DID have “Bankruptcy Equality” for college loans, “Debunking the first premise is the fact that by 1977, under 0.3% of the value of all federally guaranteed student loans had been discharged in bankruptcy...(See H.R. REP. NO. 95- 595, at 148 (1977).)” Source: HARVARD LAW REVIEW, page 607 – see here:

Link: http://HarvardLawReview.org/wp-content/uploads/pdfs/vol126_student_loan_exceptionalism.pdf

Archive: <https://Archive.vn/wip/r63Ln> [oops -- only captured the 1st page -- trying again -- I'm glad I cite my sources, so it can be looked up.]

Archive: https://Web.Archive.org/web/20200529144645/http://harvardlawreview.org/wp-content/uploads/pdfs/vol126_student_loan_exceptionalism.pdf

If we had no problems then, then the concerns raised by Rep. Armstrong, rampant bankruptcy abuse and/or loads of unqualified people jumping into college are not something about which we should *now* worry.

Besides, we OWN the loans – not guarantee, but OWN: A provision in Pres. Obama's ACA made the Government the SOLE lender of almost ALL current Student Loans, and, as such, we've paid off ALL of said loans, the moment we make the loans, using taxpayer dollars. The moment the student takes out a loan, it's GONE from taxpayers, and goes STRAIGHT to the college or university! Therefore, even a “total forgiveness” of all such loans would cost NOTHING, other than a small and temporary drop-off/ decline in the payments of the few students who are still paying on these over-inflated & illegally price-gouged loans. MOREOVER, either Bankruptcy defense – e.g.,

H.R.2648 – and/or “loan forgiveness” (partial or total) of these federally-held loans, would – via obvious Conservative Free Market Pressures – scare the pure living DAYLIGHTS out of the U.S. Dept of Education, currently the SOLE lender of ALL Student Loans – thus, forcing them to reduce or “dry up” (eliminate) student loans. This “sharp decrease” in the availability of student loans would do three (3) things: ((#1)) First, the debt burden “moving forward” on students would lighten. ((#2)) Secondly, the taxpayer would no longer be “on the hook,” and this could free up TRILLIONS of dollars long-term for much-needed infrastructure, upgrades to our fragile power/ telecommunications grid, Military and Public Ed pay raises, etc. ((#3)) Thirdly, and most-importantly, it would force colleges to – via clear/ obvious Conservative Free Market Principles – lower tuition to levels which the market could afford. Colleges would cry and complain like babies, but since we all remember that college was FREE just a few decades ago in the United States – or, even if not free, still VERY AFFORDABLE – if it was “free then,” then it could be “free now” (or, if not free, as we have personal responsibility to pay our fair share, at least very, very affordable, as it was just decades ago, and yet still the best Higher Education in the world). – Word. – PROOF:

If college was once Free or REAL close to it, they can do that again – so they should STOP acting like cry babies in their opposition to loan limits aka spending cuts: Reduction or elimination of tax dollars to make/back collegiate loans:

** <https://www.PolitiFact.com/factchecks/2016/feb/09/bernie-s/was-college-once-free-united-states-and-it-oversea/>

** <https://Archive.vn/hb0pX>

** <https://Web.Archive.org/web/20201004033922/https://www.PolitiFact.com/factchecks/2016/feb/09/bernie-s/was-college-once-free-united-states-and-it-oversea/>

--- In fact, even our friend, GOP Senator, Rick Scott (R-FL) agrees that college WAS once VERY affordable--proving it can be again:

** <https://www.RickScott.senate.gov/sen-rick-scott-announces-proposals-lower-cost-higher-education>

** <https://Archive.vn/bOr5L>

** <https://Web.Archive.org/web/20200124171726/https://www.RickScott.senate.gov/sen-rick-scott-announces-proposals-lower-cost-higher-education> ** ~ ~ *End of Editor's Notes, for now.///*

However, Rep. Armstrong rightly decries/ opposes use of our taxpayer dollars to make/back student loans in the first place. (But, I add that we keep being unable to convince lawmakers – even when we have a GOP House, Senate, & Presidency, to pass such loan limits spending cuts. Why, you might ask? Only WITH student loan bankruptcy to operate as a “Conservative Free Market check” on excessive lending would the Dept of Ed and rich, Liberal colleges (who profit immensely from this Ponzi scheme/ scam) read the “handwriting on the wall,” back off, and make such Loan Limits/ Spending Cuts bills a reality. Otherwise, it likely will NEVER happen.

Also, Rep. Armstrong (wrongly) claims that IBR (Income-based Repayment) & PSLF (Public Service Loan Forgiveness) would be less attractive if easy Bankruptcy were available: This is false: Even back when we had complete bankruptcy availability, no such problems existed, and thus no reason exists to believe there'd be problems now. Rep. Armstrong also falsely claims H.R.2648 would fail to address tuition inflation: He is incorrect: As described above, bankruptcy defense would operate as a Conservative Free Market “check” on obscene excesses in lending on our tax dollars, thus causing a reduction in availability of such loans, and thus driving down costs of college: Universities would realise that students no longer had “deep pockets” loans, and adjust costs and prices to match what the market could afford, sustain, and support. – Word. However, he is still correct to seek a loan limits bill in addition to H.R.2648. (Perhaps he could use HR2648 as a bargaining chip to get Democrats on his side re loan limits – and perhaps Democrats could support collegiate loan limits as a means to bargain with the

GOP lawmakers, and convince them to support H.R.2648, the student loan bankruptcy bill: Both are needed.

Memorable Quote by Rep. Kelly Armstrong (R-ND-AL) at **00:07:23**: “To address the Higher Education Bubble and problems [that] student debt creates, we have to address the underlying cause: The Federal Government should NOT be in the business of Student Loans at all – especially when those loans enable countless colleges to hike tuition year after year.” – Correct, but you're likely NOT going to get it without the strategies above. – **00:07:58**

00:08:00 – Chairman Nadler – *Pro Forma* amendment to merely change the year in the title only – **00:08:39**

00:08:39 – Rep. Sheila Jackson Lee (D-TX-18) rises in support of H.R.2648: Good points on burdens – stops people from buying homes, getting a job (bad credit, I assume, is the reason here: People who need jobs the most to pay off loans can get them the least, sadly). She makes reference to Supreme Court holdings to explain the purpose of bankruptcy. Raises good “People vs Corporations” comparisons, cites GDP benefits, & correctly says that Student Loan Bankruptcy is NOT a “Free Ride.” (Correct! And excellent point worth repeating.) – **00:13:40**

00:13:40 – Rep. Thomas P. “Tom” Tiffany (R-WI-07) offers an amendment that would deny convicted looters bankruptcy relief under H.R.2648: Argues that taxpayers shouldn't fund their BK discharge. **Editor's Note:** While odd, this amendment would likely be Constitutional –but ONLY if it applied to ALL bankruptcy, that is, housing, car, business, credit card, etc., & not just Student Loan bankruptcy. Otherwise, it would run afoul of the Uniformity clause of the U.S. Constitution, Art.I, Sec.8., clause 4, which, ironically, is a problem with CURRENT bankruptcy code, which H.R.2648 would fix, insofar as current U.S. BK code is NOT uniform: Just ask any college student, and/or Google “Uniformity clause,” if you slept in that portion of Law School! However, while Rep. Tiffany's amendment need NOT apply to ANY crime (so long as it applied to ANY bankruptcy), in my humble opinion, it would have a better chance of passage (and be more “fair”) if it applied to conviction for ANY crime. Better yet, pursue each crime separately, and stop getting off-topic. (Less confusion = more productivity) – **00:16:20**

00:16:20 – Chairman Nadler voices his opinion (but does not void, annul, or strike Rep. Tiffany's amendment) to the effect that he thinks it is “off-base” (off topic). – He opposes amendment. – **00:17:31**

00:17:31 – Point of Order misunderstanding of some sort. – **00:18:02**

00:18:02 – Rep. Debbie Lesko (R-AZ-08) rises in support of Rep. Tiffany's amendment viz use of our taxpayer dollars to fund any bankruptcy discharge. (Technically, if we OWN these loans – and we do – then we've already paid OFF the entire loan to the college or university, and thus even full/total forgiveness would cost NO taxpayer dollars, except the small, temporary drop-off in the repayment of the student to the government, but that's an aside.) – **00:18:51**

00:18:52 – Rep. Zoe Lofgren (D-CA-19) opposes amendment: Says it changes the subject (off-topic). – Goes on to support H.R.2648: People can't buy houses, start marriages, & Dept of Ed refuses to use emergency relief authority to help out here. – **00:21:56**

00:21:50 – Chairman Nadler points out that H.R.2648 merely reverts back to prior law in question. No mention of ANTIFA back circa 2005 when the bankruptcy was allowed. So, Chairmen Nadler makes (or implies) the excellent point that if there were no discussions about ANTIFA back then, then we should not focus on it now, but merely restore the law back to pre-2005 standards, and return BK defense to student loans. – **00:22:30**

00:22:32 – Rep. Tom Tiffany (R-WI-07) defends his amendment by denouncing criminal looters, etc., – **00:27:07**

00:27:07 – Rep. David Cicilline (D-RI-01) opposes amendment using “off-topic” argument. He described how H.R.2648 is much-needed by disabled vets & elderly retirees, etc. Ripple effect of not having H.R.2648 in place hurts the nation. “Undue Hardship” standard is not working, in practice, as very few qualify. – **00:30:52**

00:30:52 – Rep. Matt Gaetz (R-FL-01) supports Rep. Tom Tiffany's amendment, and has the **Quote of the Day**:

“I support Mr. Tiffany's [criminal conviction disqualification] amendment. The underlying piece of legislation that would allow students to discharge student loan debt through bankruptcy would shatter the foundation of Higher Education finance. It would create a dramatic & sudden shift in the pricing of Higher Education. It would disrupt almost every university budget in America. [Dramatic pause.] And that's exactly why I'm voting for it. During my life, prices in Higher Education have skyrocketed. University administration budgets have exploded. Administrators have gotten rich, while a generation of students have been relegated to a life of indentured servitude. Forty-Four (44) Million Americans dealing with crushing student loan debt – an amount, in the aggregate – that exceeds \$1.6 TRILLION dollars. That's more than the amount of money Americans have borrowed against CARS. That's more than America's CREDIT CARD debt, in the aggregate. And, it has impacted the life of many of my fellow-Millennials. Unable to get married. Unable to have a down payment for a HOME. It's almost like in dating in Millennial life...reverse dowry... [etc.] ...But: It does raise the question: How did we get here? Why, in 2005, as the chairman correctly referenced, did members of Congress [and] The Senate [change the law]!?” – Enters into the record Guardian article about Sen. Biden's support for anti-consumer BK law. Chairman Nadler generously allows such. Gaetz goes on an anti-Biden rant. – **00:35:46** – Rep. Gaetz yields the remaining seconds to Chairman Nadler, who admits that Democrats have made mistakes, along with Republicans. – **00:36:30**

00:36:30 Rep. Pramila Jayapal (D-WA-07) rises in support of H.R.2648, and she makes good points on oppression – and goes on to support cancellation of ALL student debt, and Free College, the “College for All” Act, a bill by Rep. Ilhan Omar (D-MN-05). – **00:41:30**

00:41:05 – Rep. Kelly Armstrong claims that H.R.2648 would be harmful, and says that it would do nothing to address the problem – which was caused by cuts to Higher Education at the state level – and over-inflated administration. Rep. Armstrong (falsely) claims that H.R.2648 wouldn't incentive colleges to lower tuition increases. (FALSE: It would via Market Pressures, as discussed **00:04:25**, above – and, as also addressed eloquently by Rep. Gaetz, below.) He also (falsely) claims that there'd be no “guardrails” on the costs of higher education. – **00:43:31** – Rep. Armstrong generously yields some time to Rep. Matt Gaetz, who succinctly defends the points I've made – but in a public forum.

00:43:31 – Rep. Matt Gaetz (R-FL-01) – QUOTE: “So, if students are able to discharge...I see what you're saying: That the bill doesn't say bureaucracy *HAS* to be cut. But, if students can discharge their debt through bankruptcy, then there will be fewer of those loans issued, right? Because if they're 'risky' loans, [then] they won't be issued. And, so, universities won't be able to charge as much: TUITION will go DOWN. And, because they won't be able to charge as much, they won't be able to have – like – you know – “Senior Provost of Inter-sectional Gender Studies,” knocking down TWO-HUNDRED EIGHTY THOUSAND (\$280,000.00) DOLLARS a year, while somebody's just tryin' to pay pay tuition for their family member.” – yields back – **00:44:10**

00:44:11 – Rep. Armstrong states that (#1) taxpayers back [actually they MAKE—see above] Eighty-Five (85%) percent of loans, and (#2) Agrees that low-risk folk won't get loans. [To which I would say: “So?” There'd still be college available to them, due to Market Forces: Greedy colleges still want to sell their product, and would lower prices if students couldn't afford as much as before!] – **00:44:42**

00:44:42 – Rep. Gaetz assures Rep. Armstrong that inability to get big loans notwithstanding, poor, but deserving students would still be able to get an education – IF it's for a worthy degree – reminds Rep. Armstrong that Market Forces would FORCE tuition & student debt DOWN – but also agrees with him that we should be reducing loan limits for collegiate loans when using taxpayer dollars. [And, I add, myself & many other Conservatives would agree here, as well.] – **00:45:19**

00:45:19 – Oddly-enough, even after an excellent education by Rep. Matt Gaetz on higher ed economics & Conservative Free Market forces, Rep. Kelly Armstrong still sticks to his story regarding the alleged bad effects of Student Loan Bankruptcy availability, which H.R.2648 would offer. [Rep. Armstrong is wrong: Student loan

bankruptcy worked just well in the past, and would work well now—if this bill passed. However, I will not be too harsh on him: It took Alan Collinge SEVERAL tries to explain to me how bankruptcy availability would result in LOWER – not higher – tuition.] – **00:45:31**

00:45:31 – Rep. Lucy McBath (D-GA-06) generously credits Rep. John Katko (R-NY-24) for his prior, and bipartisan, work on these types of Student Loan Bankruptcy bills, opposes Rep. Tiffany's amendment, and supports H.R.2648. She adds that education is an investment and addresses college scam fraud and the COVID-19 Coronavirus Economic downturn (which adds to the difficulties students have with college loans). – **00:48:39**

00:48:39 – Rep. Mary Gay Scanlon (D-PA-05) supports the bill, opposes the amendment, and cites some stats. She mentions real people who are real people unable to buy homes, cars, start a family, or help with their children's college costs. Student debtors, she says, should not have less protection in bankruptcy than “unscrupulous real estate developers – or other con men – who take advantage of our BK laws.” – **00:51:24**

00:51:24 – Rep. Henry C. “Hank” Johnson, Jr. (D-GA-04) rises in support of H.R.2648 and opposes Rep. Tiffany's amendment, discussed, at length, elsewhere in these notes. Rep. Hank Johnson eloquently makes excellent points about people dying of old age, still owing student debt – and how private student debt keeps on even after a debtor's death, because creditors can go after their inheritance! He rightly points out the immoral double standard that exists in American BK law: Corrupt corporations bankrupt out of pensions, but oppose likewise relief for student debtors. VERY good speech – even if he may be partly incorrect on his \$750.00 figure for Donald Trump's FEDERAL taxes: This figure probably doesn't account for other taxes – state and local taxes, as well as numerous fees – that Mr. Trump has undoubtedly paid – or the many people he was able to employ with jobs. – **00:56:20**

00:56:20 – Rep. Kelly Armstrong rightly points out that PRIVATE university fraud, while important, is still just a small contributor to total student debt – and, thus, not a major cause of the Student Debt Bubble. Makes a funny comment about how his undergrad Psychology degree qualified him to be a bartender. – **00:58:30**

00:58:30 – Rep. Joe Neguse (D-CO-02) questions Rep. Armstrong's claim that ability to file BK would affect choice of whether to go to college. – **00:59:08**

00:59:08 – Rep. Armstrong says yes, & says that we need to have these importance conversations. – **01:00:00**

01:00:00 – Rep. Mike Johnson (R-LA-04) supports the amendment. **01:00:47**

01:00:47 – Rep. Hank Johnson (D-GA-04) asks whether this amendment applies to right-wing thugs/ rioters/ e.g., convicted criminals. – **01:01:21**

01:01:21 – Rep. Mike Johnson (R-LA-04) says he thinks it should, but defers to the amendment's author, Rep. Tom Tiffany (R-WI-07), who says yes, it applies to all thugs. – **01:01:44**

01:01:44 – Rep. Madeline Dean (D-PA-04) opposes the amendment and supports the bill. She cites “1.8 Million people” in her home state of Pennsylvania, with collective “60 Million” in student loan debt. That'd be \$33.33 per person. Maybe she meant “60 'Billion,’” which would make the math more realistic. Or maybe not? She also mentions how marriage, home ownership, and birthrate are all DOWN, obviously as a result of burdensome and heavy college debt, which results in a crisis. – **01:05:03**

01:05:10 – Rep. Joe Neguse (D-CO-02) thanks Rep. John Katko (R-FL-24), and Sens. Elizabeth Warren (D-MA) and Richard “Dick” Durbin (D-IL) for their work in leading on these bills, and mentions heavy debt burden on Americans, including his constituents. Mentions how laws were different in the past, and cites the need to return back to these standards. He points out that Bankruptcy is a difficult process, so objections from his Republican colleagues that BK availability would somehow incentivize students to go out and get deep into college debt is a “farcical” argument – and not good objections. – **01:08:24**

01:08:24 – Rep. Jamie Raskin (D-MD-08) rightly says that there is a double standard here regarding college loans: We penalize student loan filers (with the nearly-impossible “Undue Hardship” standard), while allowing standard bankruptcy discharge for business debts, Credit Card debts, medical debt, even gambling debts. But not student loan debt (and only a small handful of other things, like criminal restitution, child support, or alimony debt)? If we are looking for people to penalize in BK proceedings, why not penalize “repeat offenders,” people who have filed BK repeatedly!? Why pick on poor college students, but allow the rich business people of all sorts to repeatedly get BK discharge – and that for huge amounts!? Double standard, hello? Rep. Raskin also asks why Rep. Tiffany's amendment focuses solely on a small subset of criminals? If it's such a good idea, why not expand this amendment to ANY type of crime? (Good question! Addressed above under Uniformity clause issues.) – **01:13:43**

01:13:43 – Rep. Debbie Mucarsel-Powell (D-FL-26) opposes amendment and supports bill. Cites FIU (Florida International University), which she says serves the largest number of Hispanic students in America, and says that Latino and Black students are hit the hardest in student debt crisis and default. Fees are close to \$24,000.00, she says (apparently, per year). Cites that Florida students have about \$75 Billion in student debt, with over 2.2 Million borrowers, owing nearly \$35 grand each, on average: College is expensive. She decries the “hypocrisy of my colleagues on the other side of the isle [e.g., GOP lawmakers]. They're happy to allow major corporations to write off HUGE amounts of debt, without protecting tens of thousands of workers. But then they're fighting to prevent students from discharging student loan debt in bankruptcy. It just makes absolutely no sense.” – **01:16:59**

01:16:59 – Roll call vote – on Rep. Tiffany's amendment and on H.R.2648, the bill, itself. – **01:26:13**

01:26:16 – H.R.8366 (Protecting Homeowners in BK Act of 2020) marked up, which addresses Homeowner Equity protected in BK. Must keep up w/ inflation. Allows states to provide more generous homestead exemptions, but sets a minimum that must be offered, a Federal Homestead Exemption standard. – **01:30:32**

01:30:32 – Rep. Armstrong has concerns that H.R.8366 violated Federalism principles, and encroaches upon States' rights by applying a “one-size-fits-all” standard. He claims that raising the Homestead Exemption will make it a more attractive offer to files for BK, reduce what creditors can get from BD, and thus reduce or dry up credit availability. [He claims this is bad, but I disagree: Excess availability of debt can entrap borrowers, and drive up costs, which might rise to match increased borrowing abilities – as we've seen in Higher Ed lending.] – **01:32:04**

01:32:04 – Chairman makes a minor *Pro Forma* amendment of some sort, I think to a title in the bill. – **01:32:49**

01:32:49 – Rep. Madeline Dean (D-PA-04) raises in support of the bill. Repeats basic facts that H.R.8366 would increase Federal Homestead Exemption minimum standard to \$100,000.00. (It is currently \$25 grand.) – **01:36:42**

01:36:49 – Rep. Pramila Jayapal (D-WA-07) states that Americans are threatened by losing housing, and she also supports H.R.8366: Protecting homeowners' equity is needed, she says. Housing = Basic human need/right, and necessary investments here are needed. – **01:40:34**

01:40:34 – Vote on minor amendment and on H.R.8366, the bill, itself by a roll call vote. Markup hearing is adjourned. – **01:45:02**

01:45:02 – Miscellaneous video & title page with time-clock, eventually denoting Sept 29, 2020, **05:13:30 (PM)**, at which point the *.mp4 video file ends. – **01:45:39**