Joe Rogan Calls Student Loans A Scam 'You Cannot Absolve Even With Bankruptcy.' Says 'It's The Dirtiest Thing Ever'

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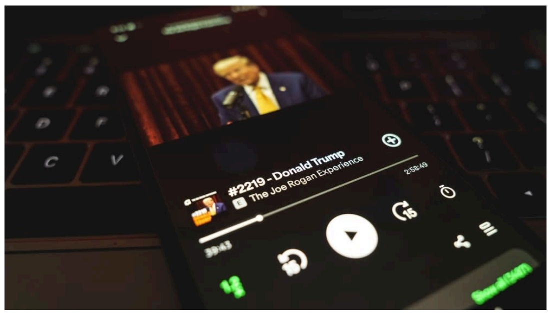

Joe Rogan Calls Student Loans A Scam 'You Cannot Absolve Even With Bankruptcy.' Says 'It's The Dirtiest Thing Ever'

On a recent episode of “The Joe Rogan Experience,” British comedian **Jimmy Carr** joined **Joe Rogan** for a wide-ranging conversation that took a serious turn when they began talking about corporate greed, education, and the crushing weight of student debt in the U.S.

Rogan And Carr Criticize The Student Loan System

Rogan didn't hold back when discussing the way student loans trap young people. "It's the one debt you cannot absolve in America even with bankruptcy," he said. "It's a scam. It's the dirtiest thing ever."

Carr agreed and argued that the U.S. and U.K. should cancel student debt altogether. "We mis-sold people some bullsh*t degrees," he said. "You're taking those people that took a chance and they went to university and they gave their time and they studied hard ... and then they can't buy a house because ... [their degree is] not in a STEM subject, it's in the humanities or something, and they don't get the lifestyle they worked hard for."

Carr also pointed out that while socialism is often treated like a dirty word, most people accept its role in essential services like fire departments and public schools. "Everyone agrees, right?" he said. "If your house burns down, we're going to have a fire service. It's not like, ‘Oh, we don't take care of that.'"

Rogan added that corporations rarely aim to do good once they're public. "They never are satisfied," he said. "They never go, ‘Guys, we're doing great. If we just make this amount of money every year, like, that's wonderful. Let's just hang back. I think our profits are very high. Let's do good.'"

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The two also talked about how student loans mostly burden middle- and working-class kids, locking them out of upward mobility. Carr described education as a social equalizer. "The opportunity to educate yourself and to do better is like—that's sort of part of the American Dream, isn't it?" he said.

Rogan agreed and noted that 18-year-olds often don't understand the long-term consequences of debt. "You're too young to be connected to a $50,000 debt when you're 18. You don't know what it means," he said. "The fact that it's going to follow you around forever and haunt you... I think it's evil."

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Federal Collections Resume As Borrowers Struggle

Their discussion comes as the federal government resumes collections on defaulted loans for the first time since 2020. The U.S. Department of Education reports that 42.7 million borrowers owe over $1.6 trillion in federal student debt. Only about one-third of those borrowers are currently making regular payments.

According to a TransUnion report earlier this month, 20.5% of borrowers with payments due were more than 90 days late as of February. That's nearly double the 11.5% delinquency rate from February 2020 before pandemic relief began. Borrowers who defaulted saw their credit scores drop by an average of 63 points, with some super prime borrowers losing as much as 175 points. Experts warn this could make it harder to get loans, buy homes, or even rent.

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This article Joe Rogan Calls Student Loans A Scam 'You Cannot Absolve Even With Bankruptcy.' Says 'It's The Dirtiest Thing Ever' originally appeared on Benzinga.com

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Student loans in SAVE Plan to begin accruing interest

SCRIPPS NEWS | Sat, August 2, 2025, 12:39 PM MDT

File photo shows university students at a graduation ceremony. (Mel Evans/AP)

Nearly eight million student loan borrowers are accruing interest on their debt again. The U.S. Department of Education announced in July that interest charges for people enrolled in the Saving on a Valuable Education (SAVE) Plan would resume on August 1.

The income-driven repayment program, which was introduced by the Biden administration in 2023, allowed some low-income borrowers to qualify for $0 monthly payments on their federal student loans, while others could have their loans forgiven outright.

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30%

The Biden White House at the time said that student loan borrowers enrolled in the SAVE Plan who have made payments for at least 10 years and originally took out up to $12,000 are eligible to have their loans automatically forgiven.

Additionally, the White House said for every $1,000 borrowed above $12,000, a borrower can receive forgiveness after an additional year of payments. That means someone enrolled in the SAVE Plan with an original debt of up to $21,000 would have their loans forgiven by the time they reach 20 years of payments.

“For years, the Biden Administration used so-called ‘loan forgiveness’ promises to win votes, but federal courts repeatedly ruled that those actions were unlawful," said U.S. Education Secretary Linda McMahon. "Congress designed these programs to ensure that borrowers repay their loans, yet the Biden Administration tried to illegally force taxpayers to foot the bill instead."

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The Student Borrower Protection Center said it projects that the typical borrower will be forced to pay more than $3,500 per year or $300 per month in interest charges.

“Instead of fixing the broken student loan system, Secretary McMahon is choosing to drown millions of people in unnecessary interest charges and blaming unrelated court cases for her own mismanagement,” said SBPC executive director Mike Pierce. “Every day, we hear from borrowers waiting on hold with their servicer for hours, begging the government to let them out of this forbearance, and help them get back on track—instead, McMahon is choosing to jack up the cost of their student debt without giving them a way out.

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New Orleans woman’s dad blames his kids for being ‘broke’

— but Dave Ramsey accuses him of not being ‘a man of honor’

moneywise | **EMMA CAPLAN-FISHER**
Sat, August 2, 2025, 6:45 AM MDT

Dave Ramsey and co-host Jade Warshaw react hearing about woman whose parents want them to pay back student loan debt.

When Renee from New Orleans called into The Ramsey Show, she revealed a painful family story: her dad consolidated three Parent PLUS loans — taken out years ago for his daughters' education — and now, as he nears retirement, complains his kids are “the reason he's broke."

Personal finance celebrity Dave Ramsey, visibly frustrated, told Renee he felt disappointed by her father’s “guilt tripping.” He urged him to “be a man of honor,” pay his own dues and stop unloading the consequences of his decisions onto his adult children.

“[He] signed up for this trip. Don’t dump it on your kids every time they come over for Thanksgiving,” Ramsey declared.

Loan or gift? A gray area

The Parent PLUS Loan is available to parents of college-bound children to help pay for education expenses not covered by other financial aid. The loans are credit-based, not based on the family’s income or assets.

Renee admitted that there was a vague understanding that the siblings would pitch in after graduating, but that plan quickly dissolved. When discussing the possibility of the sisters paying the loans off, Renee’s mother insists none of them pay unless all three contribute equally.

When asked whether she and her sisters had roughly $15,000 each to pay off the $40,000 balance, Renee admitted they didn't.

Renee, who is now in her 30s, earns $50,000 a year, said she and her husband bring in a combined annual income of around $125,000. They’re not in a financial position to cover the Parent PLUS loans her father took out, with just $3,000 in their savings and a car loan of $26,000 hanging over their heads — not to mention a third kid on the way.

Renee’s oldest sister paid for about a year before getting married and having a child, after which their parents relieved her of the obligation. The second sister followed the same path. “By the time it got to me, none of them were paying, so they never made me pay,” Renee explained.

Emotionally exhausted from the ongoing guilt, the resentment is taking its toll on Renee, who admitted, “It has pushed us away.” Ramsey was empathetic towards her and firm in his assessment: “Nobody likes hanging out with a travel agent for guilt trips.”

He warned that her father's continuing to weaponize his financial decisions could erode their relationship and encouraged Renee to let go of the burden. “You do not owe this money,” he said. “You really don’t.”

How to pay off a loan fast — without going broke

Renee’s story highlights just how messy it can get when family and finances intertwine, especially when expectations around student debt repayment are vague. Whether you’re dealing with Parent PLUS loans, personal debt or something in between, it’s important to protect your financial health as you chip away at what you owe.

If you’re in a similar situation, here are some smart strategies to pay it off quickly without draining your savings or jeopardizing your future.

1. **Build a starter emergency fund.** Aim to set aside $1,000 to $2,000, so unexpected expenses don’t derail your progress.
2. **Temporarily follow the 50/30/20 guideline.** Splitting your payments into two per month can reduce the total interest you pay and help you stay consistent.
3. **Automate biweekly payments.** Paying twice per month speeds up your total payoff because of the rate at which interest accrues.
4. **Choose the right payoff method.** The snowball method builds motivation by clearing the smallest balances first. The avalanche method saves more in the long run by targeting the highest-interest debts.

What not to do when paying off debt

As Ramsey reminded Renee, guilt and pressure won’t pay off the loan, and neither will financially self-destructive decisions. It’s important to avoid the following strategies, no matter how tempting they may feel:

When trying to pay off a loan quickly, it's crucial not to direct all of your spare income toward debt if it leaves you without a cushion. Remember, no matter how large your debt is, you need funds to pay for basic living expenses.

Don’t empty retirement savings or tap your 401(k). Early withdrawals can incur penalties and can derail long-term growth. These accounts are crucial for your long-term financial health.

If you’re dealing with more than just student loan payments, you may consider debt consolidation as a means of cutting your bills down to size. If you have a good credit score, getting approved for a consolidation loan can help lower your interest rate, make your monthly payment easier, and shorten the window of time it takes to pay down your debt.

Finally, resist co-signing on loans or financially rescuing others if it damages your future stability. Steer clear of taking on any new debt, such as credit cards or payday loans, to cover old debts, no matter how enticing the offer may seem.

Renee’s experience underscores the emotional toll that debt can take, especially when it’s wrapped up in family dynamics. Ramsey’s advice to “let go of the guilt” is a reminder that sometimes the most responsible thing you can do for yourself and your future is to set a boundary.

What to read next

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What to know if you're at risk of having your wages garnished over student loan debt

AP CORA LEWIS
Updated Sat, August 2, 2025, 9:26 AM MDT

FILE - In this May 5, 2018, file photo, graduates at the University of Toledo commencement ceremony in Toledo, Ohio. (AP Photo/Carlos Osorio, File) (ASSOCIATED PRESS)

NEW YORK (AP) — Millions of student borrowers could begin having their wages garnished as soon as this summer, according to estimates from credit bureau TransUnion.

The company predicts that by August roughly 3 million borrowers could move into default, meaning they're 270 days past due on payments. At that point, loan holders are at risk of having 15% of their pay docked by the government, with the money going toward the outstanding debt. There has been no clear indication of when wage garnishment will start.

After the pandemic-era pause on student loan payments ended in May, borrowers have had to reassess the state of their loans and budgets. According to TransUnion, another 2 million borrowers are on course to default in September.

A Biden-administration grace period, during which late or missed payments were not counted against credit scores, ended in the fall.

Since then, millions of borrowers have seen hits to their credit ratings.

Here's what to know:

What you can do to prepare

"The most important thing borrowers can do before administrative wage garnishment restarts is to log into studentaid.gov to check whether their federal student loans are in default and take steps now to remove them from default," said Kyra Taylor, staff attorney at the National Consumer Law Center.

Taylor said it's not uncommon for borrowers to be unaware that their loans are in default. If borrowers attended college or graduate school during different periods of time, or if they have different federal loan types, they may also have multiple student loan servicers.

If that's the case, you should act now to get your loans out of default and back into good standing by either entering a rehabilitation agreement, where you must make nine consecutive payments based on their income, or by consolidating your loans into a new federal Direct Loan.

"Because this hasn't happened for so long, there are many people who have no idea they're at risk," said Aissa Canchola Bañez, policy director at the Student Borrower Protection Center.

80%

Wait times for student borrowers attempting to contact their loan servicers have been long, with many dropped calls, in part due to layoffs at the Education Department. Bañez recommends contacting your congressperson, using a casework tool that can guide you through submitting a constituent request.

"These offices have entire teams dedicated to constituent casework for when you have an issue with a federal agency, such as the Department of Education," she said. "So you can request assistance from your member of congress — your representative or senator."

What happens if you remain in default

Until past due payments are paid or the loan's default status is resolved, borrowers are at risk of having up to 15% of their wages deducted directly from their paychecks.

The Department of Education has sent notices to borrowers warning that tax refunds and wages could be withheld starting this summer if borrowers don't take steps to restart payments. The department hasn't yet provided additional information on timing.

Richelle Brooks, 37, an education administrator based in Los Angeles, said she's received warnings and notices about the resumption of collection of her loans. For several degrees, she still has $239,000 in outstanding debt, and she was informed her monthly payments on those loans will be roughly $3,000.

"I can't afford it," she said. "We just came out of the moratorium — not paying for five years. People getting these notices — they're terrified. I'm uneasy, too."

Brooks said she's an informed borrower who stays up to date on each development and who knows her options. She plans to enroll in coding classes, at least half-time, which could place her loans in deferment, so she wouldn't be required to make monthly payments, while she makes a financial plan.

Some options if you fear your wages will be garnished

There's still time to take action.

According to Taylor, the Department of Education must provide 30 days notice before it sends a garnishment order to your employer. During that time, you can request a hearing to object by telling the department that the garnishment would cause you financial hardship. You can also request that the department reduce the amount being garnished and submit documentation about your income and expenses.

To do this, you must make your hearing request in writing, postmarked no later than 30 days after the garnishment order. Your loan holder will then arrange the hearing. If you're unsure who your loan holder is, you can contact the Education Department's Default Resolution Group.

If you were laid off from your last job, you can also object to garnishment if you have not been in your current job for 12 consecutive months. You can further request a hearing and object if you submitted an application for certain kinds of statutory discharges and those have not yet been decided. Some common reasons for statutory discharge of student loans include: if the school you attended closed before you could complete your degree, if your school owes you a refund but fails to pay it, if you're experiencing total disability, or if you're experiencing bankruptcy.

“If the borrower requests a hearing within 30 days after receiving the garnishment notice, the department cannot start garnishment until it issues a decision on the borrower’s objections and financial hardship request,” Taylor said.

You can request a hearing after the 30 day period is up, but in those cases the department will generally not stop garnishing your wages while the hearing request is pending.

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