

United States Court of Appeals

For the Seventh Circuit

Chicago, Illinois 60604

October 28, 2022

Before

FRANK H. EASTERBROOK, *Circuit Judge*

ILANA DIAMOND ROVNER, *Circuit Judge*

MICHAEL B. BRENNAN, *Circuit Judge*

No. 22-2886

FRANK GARRISON and NOEL JOHNSON,
Plaintiffs-Appellants,

v.

DEPARTMENT OF EDUCATION and MIGUEL A.
CARDONA, Secretary of Education,
Defendants-Appellees.

Appeal from the United States
District Court for the Southern
District of Indiana, Indianapolis
Division.

No. 1:22-cv-01895-RLY-TAB
Richard L. Young, *Judge.*

ORDER

The application for an injunction pending appeal is denied.

Plaintiffs, who borrowed money to finance their educations, contend that the federal program for cancelling student loans is unauthorized. They say that they do not want their loans cancelled or reduced. Although cancellation of debt usually is a boon to a debtor, plaintiffs maintain that it will injure them because Indiana treats the cancellation of debt as a form of income, which is subject to tax.

The federal program is not compulsory. Debtors who do not want their loans reduced or cancelled are free to opt out. The Department of Education has treated both plaintiffs as exercising this option. None of their debt will be cancelled, and they will not be subject to a tax on a reduction of indebtedness. It follows that the program does not injure them and that they lack standing to sue.