

Texas Lawsuit Against Biden Student Loan Rule Moved to More Liberal Court



A Texas federal court known for issuing conservative rulings has sided with the Biden administration in a lawsuit challenging a new Education Department student loan rule. U.S. District Judge Mark Pittman, a Donald Trump appointee, agreed with the Justice Department that the lawsuit against new regulations for the Education Department's borrower defense to repayment program should be transferred to the Western District of Texas in Austin. The move takes the case away from the Northern District of Texas, dominated by Republican-appointed judges.

Several high-profile cases challenging President Biden's policies have been filed with the Northern District of Texas, leading some to claim that conservative groups are forum shopping for favorable decisions. The Justice Department has even accused Texas Attorney General Ken Paxton of "judge shopping" by filing cases challenging various administration policies in the district.

The latest case was filed by Career Colleges & Schools of Texas (CCST), a trade association representing over 70 for-profit higher education institutions in Texas, seeking to block the Department of Education's revision of a program that forgives student loans when a college misleads or defrauds borrowers. CCST alleges that the new rules, set to take effect on July 1, are unlawful and risk creating a "crippling liability" for its member institutions.

CCST filed the case in the Fort Worth division of the Northern District court despite having no offices or employees in the district, and none of its member institutions that reside there are party to the lawsuit. Pittman rejected the group's arguments that his court should hear the lawsuit, finding that CCST "may have an interest in assisting various burdened parties in the division, but it does not have any presence." In a six-page order, he wrote that the "venue is improper."

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The Justice Department requested that the case be moved either to Austin, where CCST is headquartered, or to the federal district court in Washington, D.C. Pittman determined that the Western District of Texas is "more appropriate" to hear the case because that venue "affords some 'respect' to Plaintiff's original choice of forum — even though it was an incorrect one."

The Northern District of Texas has become a destination for many conservative groups seeking to file federal lawsuits against the Biden administration. Last fall, Pittman blocked the Biden administration's debt relief program, which would forgive \$10,000 in federal student loans per borrower. More recently, U.S. District Judge Matthew Kacsmaryk of the Northern District of Texas controversially halted the Food and Drug Administration's more than two-decade-old approval of the abortion pill mifepristone. Both cases are now before the Supreme Court.

Compared to the Northern District of Texas, the Western District of Texas has fewer Republican-appointed judges and does not share its conservative reputation.

Overall, this ruling is a small victory for the Biden administration and a setback for conservative groups seeking to challenge its policies in the Northern District of Texas. The decision to transfer the case to the Western District of Texas means that a different set of judges will now oversee the dispute, potentially changing the outcome of the case.