



HR0091

LRB102 15980 MST 21350 r

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HOUSE RESOLUTION

2

WHEREAS, According to the Federal Reserve, 54% of
3 Americans who went to college assumed some form of debt in
4 order to do so; and

5

WHEREAS, Over 45 million people in the United States
6 collectively owe more than \$1.5 trillion in student loan debt,
7 making it the second highest form of consumer debt, behind
8 only home mortgages, and higher than credit card debt and auto
9 loan debt; and

10

WHEREAS, Student loans have a higher delinquency rate than
11 credit cards, auto loans, and mortgages; the delinquency rate
12 (90 days or more overdue) for student loans is 10.85%;
13 comparatively, the delinquency rate for auto loans is 4.69%,
14 and the delinquency rate for credit cards is 8.32%; and

15

WHEREAS, Over 1.5 million student loan borrowers in the
16 State of Illinois have a collective balance of \$49 billion in
17 student loans, with a student loan delinquency rate (90+ days
18 delinquent) of 11.4%; and

19

WHEREAS, Student loan debt has caused great division
20 between Americans; the average debt for African American
21 bachelor's degree recipients was \$34,000, compared to \$30,000

1 for white bachelor's recipients and just under \$25,000 for
2 Hispanic and Asian bachelor's recipients; and

3 WHEREAS, African American students who complete a
4 bachelor's degree are more likely to struggle to repay their
5 loans, and 12 years later, the typical African American
6 student who entered college in 2003 and who completed a
7 bachelor's degree owed 114% of what they originally borrowed,
8 compared to 47% for white graduates; additionally, 49% of
9 African American students who borrowed for their undergraduate
10 education defaulted on a federal student loan, representing
11 the highest default of all borrowers; and

12 WHEREAS, Student loan debt has created a clear divide
13 among all gendered people; for example, women hold nearly
14 two-thirds of the outstanding student debt in the United
15 States, almost \$929 billion as of early 2019 according to
16 studies; the burden of student debt is compounded by existing
17 and intersecting inequalities, women working full time with
18 college degrees make 26% less than their male counterparts;
19 and

20 WHEREAS, One year after graduating, female college
21 graduates working full time are paid 18% less than their male
22 peers; by four years after graduation, that gap widens to 20%;
23 and

1 WHEREAS, A 2019 Federal Reserve study found that student
2 loan debt is linked to over 20% of the decline in
3 homeownership, which is recognized as one of the most
4 important ways to build wealth; homeownership has returned to
5 50-year lows, and the African American homeownership rate in
6 2019 was as low as it was when the Fair Housing Act was passed
7 in 1968; and

8 WHEREAS, Research from the National Association of
9 Realtors revealed that 61% of millennials said they have
10 delayed buying a house because of student loan debt, with the
11 average student loan borrower delaying the purchase of their
12 first home by an average of seven years; and

13 WHEREAS, Student loan servicers are a critical link in
14 determining whether borrowers will have a pathway towards
15 paying off their debt or be continually rolled into one
16 unaffordable payment after another; and

17 WHEREAS, Without strong federal and state guidelines,
18 servicers have engaged in a range of abusive practices that
19 include misapplying student loan payments in ways which
20 maximize fees to the servicer and placing borrowers into plans
21 that delay the debt rather than repay it; and

1 WHEREAS, The U.S. Department of Education has recently
2 signaled that it is willing to make it easier for servicers of
3 federal student loan debt to operate with less oversight and
4 fewer protections for students by rolling back existing
5 federal guidance and by seeking to thwart states' rights to
6 protect students in their own states against student loan
7 abuses; and

8 WHEREAS, Several states have already begun to take
9 legislative and enforcement actions related to unfair and
10 deceptive practices of student loan servicers; therefore, be
11 it

12 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
13 HUNDRED SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
14 we urge the United States Congress to recognize outstanding
15 student debt as a crisis for Americans seeking an education
16 that endangers the well-being of Americans and to work to
17 develop and enact legislation that will forgive student loans
18 for all current student loan borrowers and prevent future
19 students from shouldering an insurmountable burden of debt;
20 and be it further

21 RESOLVED, That suitable copies of this resolution be
22 delivered to the President of the United States, the U.S.
23 Senate Majority Leader, the U.S. Senate Minority Leader, the

1 U.S. Speaker of the House, the U.S. House of Representatives
2 Minority Leader, and all members of the Illinois Congressional
3 Delegation.