



HR0688

LRB101 18597 MST 68052 r

1 HOUSE RESOLUTION

2 WHEREAS, According to the Federal Reserve, 54% of Americans  
3 who went to college took on some form of debt in order to do so;  
4 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 only  
8 home mortgages, and higher than credit card debt and auto loan  
9 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 student  
6 who entered college in 2003 and who completed a bachelor's  
7 degree owed 114% of what they originally borrowed, compared to  
8 47% for white graduates; additionally, 49% of African American  
9 students who borrowed for their undergraduate education  
10 defaulted on a federal student loan, representing the highest  
11 default of all borrowers; and

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

19 WHEREAS, One year after graduating, female college  
20 graduates working full time are paid 18% less than their male  
21 peers; by four years after graduation, that gap widens to 20%;  
22 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 important  
4 ways to build wealth; homeownership has returned to 50-year  
5 lows, and the African American homeownership rate in 2019 was  
6 as low as it was when the Fair Housing Act was passed in 1968;  
7 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

22           WHEREAS, The U.S. Department of Education has recently

1 signaled that it is willing to make it easier for servicers of  
2 federal student loan debt to operate with less oversight and  
3 fewer protections for students by rolling back existing federal  
4 guidance and by seeking to thwart states' rights to protect  
5 students in their own states against student loan abuses; and

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

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

18 RESOLVED, That suitable copies of this resolution be  
19 delivered to the President of the United States, the U.S.  
20 Senate Majority Leader, the U.S. Senate Minority Leader, the  
21 U.S. Speaker of the House, the U.S. House of Representatives  
22 Minority Leader, and all members of the Illinois Congressional  
23 Delegation.