



1 HOUSE RESOLUTION

2 WHEREAS, The level of higher education debt being incurred
3 by students is having a negative effect on their access to
4 postsecondary education, their persistence in attaining that
5 education, their career choices, and their ability to repay
6 their debt after leaving school; and

7 WHEREAS, In 2002, Illinois schools gave out approximately
8 85,000 Federal Direct Student Loan Program (FDSLP) loans; and

9 WHEREAS, In fiscal year 2003, the Illinois Student
10 Assistance Commission (ISAC) guaranteed federal student loans
11 for 89,746 Illinois Stafford borrowers and 7,336 PLUS
12 borrowers; and

13 WHEREAS, As of August 31, 2003, there were 274,094
14 borrowers with a student loan guaranteed by ISAC who were in
15 repayment status and 3,696 ISAC borrowers who defaulted and are
16 currently in bankruptcy status; and

17 WHEREAS, Current repayment options do not provide for
18 manageable monthly payments for some borrowers, which is
19 particularly problematic when borrowers first enter the
20 workforce; and

21 WHEREAS, Loan consolidation was originally created by the
22 U.S. Congress to simplify the process of loan repayment for
23 borrowers with multiple servicers and to help lower monthly
24 payments for borrowers in difficult financial circumstances;
25 therefore, be it

26 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
27 NINETY-THIRD GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we
28 urge the U.S. Congress to require that the interest rate
29 calculated on a Federal Direct Loan may not increase more than

1 2% above the original interest rate for unconsolidated loans;
2 and be it further

3 RESOLVED, That we urge the U.S. Congress to allow borrowers
4 to refinance their existing consolidated loans; and be it
5 further

6 RESOLVED, That we urge the U.S. Congress to require (i)
7 that all repayment options for consolidated loans allow, but
8 not mandate, dual or singular payment options in the course of
9 a payment cycle and (ii) that this option be available for
10 electronic or manual payment delivery; and be it further

11 RESOLVED, That suitable copies of this resolution be
12 delivered to the President pro tempore of the U.S. Senate, the
13 Speaker of the U.S. House of Representatives, and each member
14 of the Illinois congressional delegation.