



HR0696

LRB101 16776 ECR 66169 r

1

HOUSE RESOLUTION

2 WHEREAS, The Illinois House of Representatives seeks to
3 educate and empower its members as they consider questions of
4 public policy which impact, directly or indirectly, the general
5 welfare of African American constituents within their
6 respective districts; and

7 WHEREAS, Over 45 million people in the United States
8 collectively owe more than \$1.5 trillion in student loan debt,
9 making it the second highest form of consumer debt; and

10 WHEREAS, Recent federal data demonstrates that college
11 completion is a necessary but insufficient solution to
12 inequality challenges, and according to the Center for American
13 Progress analysis, our federal student loan system provides
14 African American borrowers only a 50-50 shot for successfully
15 completing college; and

16 WHEREAS, In 2016 the Urban Institute found that 42% of
17 African American families have student debt compared with 34%
18 of similar white families; and

19 WHEREAS, The average debt for African American bachelor's
20 degree recipients was \$34,000 compared to just \$30,000 for
21 White bachelor's recipients and just under \$25,000 for Hispanic

1 and Asian bachelor's degree recipients with student loans; and

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

11 WHEREAS, The burden of student debt is compounded by
12 existing and intersecting inequalities; women working full
13 time with college degrees make 26% less than their male
14 counterparts; and

15 WHEREAS, Women overall, and especially African American
16 women, are more likely to struggle with student loan debt and
17 face even greater income disparity; 57% of Black women who were
18 repaying loans reported that they were unable to meet essential
19 expenses in the last year; and

20 WHEREAS, The rate of homeownership, one of the most
21 important ways to build wealth, has returned to a fifty-year
22 low, and the African American homeownership rate in 2019 was as

1 low as it was when the Fair Housing Act was passed in 1968; and

2 WHEREAS, Research from the National Association of
3 Realtors has demonstrated that student loans are leading to
4 serious delays in home purchases, with the average student loan
5 borrower delaying the purchase of their first home by an
6 average of seven years; and

7 WHEREAS, Student loan servicers are a critical link in
8 determining whether borrowers will have a pathway towards
9 paying off their debt or simply be continually rolled into one
10 unaffordable payment after another; and

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

16 WHEREAS, The U.S. Department of Education has recently
17 signaled that it is willing to make it easier for servicers of
18 federal student loan debt to operate with less oversight and
19 fewer protections for students, both by rolling back existing
20 federal guidance and by seeking to thwart states' rights to
21 protect students in their own states against student loan
22 abuses; and

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

4 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
5 HUNDRED FIRST GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
6 we urge the United States Congress to recognize outstanding
7 student debt as a crisis that endangers not only the well-being
8 of African Americans but the nation at large and to work to
9 enact legislation that will ease the burden of student debt on
10 current student loan borrowers; and be it further

11 RESOLVED, That we urge legislators across the country to
12 enact legislation in their respective states aimed at ensuring
13 that students are treated fairly by student loan servicers when
14 trying to repay their debt, and that such legislation should
15 set standards for student loan servicers and end unfair and
16 deceptive practices; and be it further

17 RESOLVED, That we affirm the position that states have the
18 right to license and regulate the student loan servicers
19 operating in their state; and be it further

20 RESOLVED, That we urge the full funding of public higher
21 education, ensuring that the highest quality education is both

1 affordable and accessible to students who wish to pursue it,
2 and that such funding should prioritize addressing and
3 resolving historic inequalities that have denied African
4 Americans full access to higher education; and be it further

5 RESOLVED, That we urge the development of innovative
6 solutions for student debt held by states, either by state
7 agencies that serve as guarantors for Federal Family Education
8 Loans or student loans that are solely issued by the states;
9 and be it further

10 RESOLVED, That a suitable copy of this resolution be sent
11 to the President of the United States, the Vice President of
12 the United States, members of the United States House of
13 Representatives and the United States Senate, and all members
14 of the Illinois General Assembly.