



Higher Education Committee

**Filed: 5/6/2009**

09600SB1698ham001

LRB096 11142 NHT 25712 a

1 AMENDMENT TO SENATE BILL 1698

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1698 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Task  
5 Force on Higher Education Private Student Loans.

6 Section 5. Legislative findings. The General Assembly  
7 makes all of the following findings:

8 (1) Today, private loans constitute 20% of total  
9 education loan money, whereas 10 years ago private loans  
10 constituted 5% of student loans.

11 (2) Tuition at public universities has risen 57% in the  
12 past 5 years.

13 (3) Between 2000-2001 and 2005-2006, private student  
14 loan volume grew at an average rate of 27% to a total of  
15 \$17.3 billion.

16 (4) Borrowers who do not complete their degrees are 10

1 times as likely to default on their loan and twice as  
2 likely to be unemployed.

3 (5) Predatory and subprime lending practices have  
4 caused a crisis in the housing and real estate industry,  
5 and it is the interest of all parties involved to avoid a  
6 similar crisis involving private student loans.

7 Section 10. Creation of Task Force. There is created the  
8 Task Force on Higher Education Private Student Loans consisting  
9 of all of the following members:

10 (1) One member each appointed by the President of the  
11 Senate, the Minority Leader of the Senate, the Speaker of  
12 the House of Representatives, and the Minority Leader of  
13 the House of Representatives.

14 (2) One member appointed by the executive director of  
15 the Illinois Student Assistance Commission to serve as  
16 chairperson of the Task Force.

17 (3) One member appointed by the Attorney General.

18 (4) Members appointed by the Governor as follows:

19 (A) One member representing a banking  
20 organization.

21 (B) One member representing private schools and  
22 universities.

23 (C) One member representing a student loan  
24 corporation.

25 (5) The executive director of the Board of Higher

1 Education or his or her designee.

2 (6) The State Treasurer or his or her designee to serve  
3 as the co-chairperson of the Task Force.

4 (7) The Director of the Division of Financial  
5 Institutions of the Department of Financial and  
6 Professional Regulation or his or her designee.

7 Section 15. Duties. The duties of the Task Force on Higher  
8 Education Private Student Loans shall include without  
9 limitation all of the following:

10 (1) To investigate the rates, fees, and terms  
11 associated with private student loans made to students in  
12 this State.

13 (2) To investigate how rates, fees, and terms impact  
14 the accessibility of private student loans, affordability  
15 of student loans, and choice of institution students have.

16 (3) To investigate the impact rates, fees, and terms  
17 have on students after graduation, specifically the  
18 following:

19 (A) The amount of debt they carry.

20 (B) The impact on pursuing post-graduate degrees.

21 (C) The ability to repay their loans.

22 (4) To investigate the relationship between rising  
23 tuition and the availability of private loans.

24 (5) To assess the impact of capping private student  
25 loan fees charged by lenders.

1           (6) To investigate how many private student loans are  
2 in default or are not able to be repaid.

3           (7) To investigate what rates, fees, and terms are  
4 common to those private student loans in default.

5           (8) To assess what impact loan defaults have on lending  
6 institutions.

7           (9) To assess the impact a loan default has on the  
8 borrower.

9           (10) To study what additional disclosures can be made  
10 to students regarding high risk loans, financial  
11 information, financial choices, and financial aid  
12 available.

13           (11) To investigate what higher education institutions  
14 can do to advise students on their financial aid and loan  
15 resources.

16           (12) To investigate if race and ethnicity are a factor  
17 in the rates, fees, and terms associated with private  
18 student loans.

19           Section 20. Task Force assistance. The Office of the  
20 Illinois Student Assistance Commission shall be responsible  
21 for administrative and logistical support of the Task Force on  
22 Higher Education Private Student Loans, including coordination  
23 of Task Force member appointments, distribution of meeting  
24 notices and minutes, coordination of meeting logistics,  
25 facilitation of public meetings, and the drafting and filing of

1 the report under Section 25 of this Act. Task Force members or  
2 staff liaisons or both may confer and collaborate with relevant  
3 State and national organizations with expertise.

4 Section 25. Report; dissolution of Task Force. The Task  
5 Force on Higher Education Private Student Loans shall report  
6 its findings and recommendations to the General Assembly by  
7 filing copies of its report by December 31, 2010 as provided in  
8 Section 3.1 of the General Assembly Organization Act. Upon  
9 filing this report the Task Force is dissolved.

10 Section 90. Expiration of Act. This Act is repealed on  
11 January 1, 2011."