



HR0620

LRB098 14334 GRL 48960 r

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HOUSE RESOLUTION

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WHEREAS, Student loan debt is the only type of consumer debt in our nation's history to be categorically excluded from protection under our bankruptcy code; and

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WHEREAS, Less than 1% of federally guaranteed loans were actually discharged in bankruptcy prior to the enactment of this exclusion; and

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WHEREAS, Both the Consumer Bankers Association and the American Bankers Association openly opposed such discriminatory treatment of student loans; and

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WHEREAS, The federal government has stripped away numerous other consumer protections from borrowers of student debt, such as statutes of limitation on the collection of such debt, the ability to refinance interest rates, and protection under the Truth in Lending Act; and

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WHEREAS, The federal government presently generates a substantial profit from the origination of student loans, while countless borrowers default on their repayment obligations, because such loans are not protected under standard bankruptcy and consumer law; and

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1 WHEREAS, The removal of these basic consumer protections
2 has coincided with an exponential growth in the cost of
3 attending many of our State colleges and universities; and

4 WHEREAS, The return of these standard consumer protections
5 will require the Department of Education to take its oversight
6 role seriously, reduce the cost of college tuition, and
7 decrease the current default rate; therefore, be it

8 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
9 NINETY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
10 we urge Congress to restore full bankruptcy protections to all
11 student loans, both private and federally guaranteed, as well
12 as other standard consumer protections, such as statutes of
13 limitation on the collection of student loan debt, protection
14 under the Truth in Lending Act, and the ability to refinance
15 interest rates on student loans; and be it further

16 RESOLVED, That suitable copies of this resolution be
17 delivered to the members of the Illinois congressional
18 delegation.