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**ATTORNEY GENERAL MADIGAN: GOVERNOR FAILS TO PROTECT STUDENT LOAN BORROWERS FROM DECEPTIVE STUDENT LOAN COMPANIES**

***Governor Vetoes Madigan's Student Loan Bill of Rights That Would have Reined in Abuse by Student Loan Companies***

**Chicago** — Attorney General Lisa Madigan today denounced Governor Rauner's veto of the Illinois Student Loan Bill of Rights that was passed to crack down on the student loan servicing industry that has made it more difficult and more expensive for Illinois borrowers to repay their loans. Madigan encouraged the General Assembly to override the governor's veto and protect borrowers, their families and the state's economy.

The Illinois Student Loan Bill of Rights, Senate Bill 1351, was drafted by Madigan's office and sponsored by Sen. Daniel Biss and Rep. Will Guzzardi to address widespread abuses and failures in the student loan industry. These abuses were revealed by Madigan's investigation and lawsuit against one of the country's largest student loan servicing companies, Navient.

"Today Gov. Rauner failed to stand up for struggling student loan borrowers, their families and our state's economy. His veto of the Student Loan Bill of Rights shows he doesn't care about the financial reality that student loan borrowers face and has instead sided with large corporations that put their profits before their customers," Madigan said. "My investigation into the student loan industry revealed that student borrowers were forced into expensive repayment plans they cannot afford. These abusive practices prevent borrowers from achieving their goals, dreams and financial independence."

"Today, unsurprisingly, Governor Rauner sided with profitable student loan servicers over students who want to pay for higher education," Biss said. "The industry was so opposed to these reforms that servicers sent high-powered lobbyists to Springfield to fight against students' interests. The governor's action is a win for servicers, but I am committed to working with my colleagues to override the governor's veto."

"This was simple and straightforward legislation to protect students from egregious abuses by bad actors in the loan servicing industry," Guzzardi said. "By vetoing SB 1351, Gov. Rauner shows yet again that he stands with profiteering companies and against the people he's supposed to represent. The hundreds of thousands of Illinoisans struggling with student debt won't forget this action, and I urge my colleagues to join me in overriding this senseless veto."

Over the past decade, student loan debt has doubled to become the largest form of unsecured consumer debt in the country with more than 40 million borrowers owing over \$1.4 trillion. Nearly 70 percent of graduates leave college with an average debt burden of \$30,000, and one-in-four borrowers are behind on their payments or in default.

Students who attended for-profit colleges are particularly hard hit, making up the vast majority of borrowers in default. While federal income-based repayment options are available, the U.S. Treasury has reported that only 20 percent of eligible borrowers are enrolled in these options, which can lower payments based on income to as low as \$0 a month.

Madigan said Illinois borrowers frequently experience problems with their student loan servicers. Specifically, borrowers in Illinois have complained to her office that their loan servicers failed to inform them of affordable repayment options, follow borrower payment instructions and answer questions consistently.

Because it is so difficult to get legitimate help from loan servicers, student loan borrowers are increasingly turning elsewhere for help. Scam artists have rushed in to exploit desperate borrowers, much like they did during the mortgage crisis, with false promises to help in exchange for large, illegal upfront fees. Madigan has led the country in shutting down illegal student loan debt relief operations preying on borrowers.

The Illinois Student Loan Bill of Rights would protect student loan borrowers by prohibiting student loan servicers from misleading borrowers and requiring that servicers:

- Properly process payments;
- Require specialists to provide and explain to struggling borrowers all of their repayment options, starting with income-driven plans; and
- Inform borrowers that they may be eligible to have their loans forgiven due to a disability or a problem with the school they attended.

Attorney General Madigan is a national leader in investigating and enforcing consumer protection violations in the higher education field. In addition to her lawsuit against Navient and Sallie Mae, Madigan has investigated for-profit schools for fraud and repeatedly called on the U.S. Department of Education to immediately forgive federal loans of students who attended fraudulent for-profit schools. Madigan has also testified before Congress and urged the U.S. Department of Education to crack down on the many abuses and scams facing student borrowers.

Madigan also instituted a free Student Loan Helpline to provide student borrowers with resources about repayment options, avoiding default or how to file a complaint about loan servicing at (800) 455-2456 (TTY: 1-800-964-3013). More information can also be found on her [website](#).

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