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October 25, 2006

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Wendy Macias, Neg-Reg comments  
U.S. Department of Education  
P.O. Box 33184  
Washington, DC 20033-3184

Dear Secretary Spellings:

I wish to congratulate the Department of Education on the Commission on the Future of Higher Education. Convening such an esteemed group of individuals to examine the role of higher education and the scope of the Commission's far-reaching recommendations have great potential for transforming postsecondary education in ways that will expand access, promote accountability, and improve affordability.

It is the last point – removing financial barriers to college – that I feel compelled to stress here.

The Illinois Board of Higher Education has a longstanding commitment to affordability, and funding need-based scholarships through the Monetary Award Program (MAP) has consistently been a top priority in the Board's budget recommendations.

Even so, Illinois joined 42 other states in the dubious distinction of receiving a failing grade for affordability in *Measuring Up 2006*, the most recent version of the national report card. Although Illinois enacted significant increases in the MAP program this year (too late, obviously, to affect the state's affordability grade) and even initiated a new program aimed at middle class families, challenges remain.

The percentage of income needed to cover the cost of attending a community college or a public university has risen and is unacceptably high, not just in Illinois, but in many states. As a consequence, many students turn to educational loans to fill the gap between financial aid, work, and the cost of tuition, fees, and other expenses. Loan debt has become a rising and often crushing burden for many students once they graduate from college. The prospect of incurring significant debt surely inhibits some students from attending college and can be a deterrent to others in choosing a career in public service where jobs often provide insufficient income to meet large indebtedness carried over from college.

Therefore, I write to lend support to a coalition of student groups, the loan industry, and colleges and universities that has called for reforms to ameliorate the debt burden on many students through the Department's rule-making process, which is now underway.

Specifically, we agree with a proposal advanced by this alliance earlier this year that five principles guide the Department's rules governing federal student loans:

1. Limit student loan payments to a reasonable percentage of income.
2. Recognize that borrowers with children have less income available for loan repayments.
3. Prevent added interest from exacerbating repayment for students facing hardship situations.
4. Cancel remaining debts when borrowers have made income-based payments for 20 years.
5. Simplify the process for hardship deferral applications.

We encourage you to consider these reforms, which can help make college more affordable and overcome a significant barrier to student access to college.

Sincerely,



Judy Erwin  
Executive Director

cc: Christine Lindstrom