



NEW YORK STATE SENATOR

Kevin Thomas

NYS Senate Passes Legislation to Combat Student Debt Crisis

KEVIN THOMAS May 4, 2022

| ISSUE: **STUDENT DEBT**, **STUDENT LOANS**, **STUDENT LOAN CRISIS**, **TAP**, **HIGHER EDUCATION**



(Albany, NY) - The Senate Democratic Majority today passed legislation to provide student debt relief. As New Yorkers face an affordability crisis, the Senate Majority is committed to removing barriers that limit students from pursuing higher education by proposing legislation that would increase the income eligibility for the tuition assistance program. Additionally, the proposed bills include removal of default interest, tuition assistance for high school programs, requiring the Higher Education Services Corporation (HESC) to make a determination of financial eligibility of a student for financial aid within sixty days, excluding certain sums due from the definition of debt, requiring new employees to receive student loan repayment information, and requiring lenders to provide information to cosigner applicants about their rights.

After successfully fighting for full reimbursement to colleges for the TAP Gap, resulting in new funding in the amounts of \$48.8 million to SUNY and \$59.6 million to CUNY, these bills continue the Senate Majority's commitment to increasing access to higher education for every New York student. As New Yorkers grapple with the student debt crisis, this legislative package provides assistance to students, and ensures that information regarding student loan debt is accessible and clear.

"The importance of higher education for both the personal mobility of our students, and the economic health of our state could not be clearer. We as lawmakers have a responsibility to assist students in making informed decisions on their borrowing, and provide assistance to ensure that the cost of higher education is accessible to all who wish to pursue it," **Senate Majority Leader Andrea Stewart-Cousins** said. "Student debt is a crippling burden on many New Yorkers already struggling to pay their bills during a period of inflation. While we wait for student debt relief from Washington, these bills make substantial steps to provide financial aid assistance and set our students up for success now and in the future."

The legislation being passed by the Senate Majority, includes:

- **Increase Income Eligibility Threshold For TAP:** This bill, [S.7916B](#), sponsored by Senator Toby Ann Stavisky, increases the income eligibility maximum for the Tuition Assistance Program from \$80,000 to \$110,000. This bill will expand eligibility of the Tuition Assistance Program to more families within New York State who need assistance in reducing the costs of college expenses.
- **Sixty Day Determination For Financial Eligibility:** This bill, [S.4449](#), sponsored by Senator Toby Ann Stavisky, directs the Higher Education Services Corporation to make a determination of financial eligibility within the first 60 days after the student financial aid application is received and complete. If HESC does not determine financial eligibility within 60 days, the student will be deemed eligible to receive aid for the semester the application was made. However, HESC is allowed one 30-day extension to make a decision if it notifies the institution in writing that additional time is required to review the case of an individual student.
- **Removal Of Default Interest:** This bill, [S.7862](#), sponsored by Senator Jamaal Bailey, amends the definition of "debt" defined by the state finance law to exclude tuition, fees, room and

board, student loans and all other related charges from the definition. By changing the definition of “debt”, the State will remove the 22 percent interest rate accrued from defaulting loans. This will remove the additional fees and costs that pile onto a student’s total debt, and decrease the amount of money borrowers pay overtime.

- **Loan Repayment Information in Financial Aid Award Letter:** This bill, [S.664](#), sponsored by Senator James Sanders Jr., will provide students with detailed information on their student loan repayment which includes the estimated monthly payment. Prior to this bill, loan repayment options were not included in the financial aid award letters, and this enhancement will prepare students for the debt burden after they graduate.
- **New Hire Student Loan Repayment Notice:** This bill, [S.859A](#), sponsored by Senator Andrew Gounardes, requires employers to provide new hires for entry-level positions or post-graduate internships with information on student loan repayment options. Providing this information at the onset of employment will help educate New Yorkers new to the workforce on the options available to them to help manage their student loans.
- **Notice of Tuition Liability Policies:** This bill, [S.7914](#), sponsored by Senator John Liu, ensures all students at all levels of higher education are aware of the institution’s withdrawal policy and the impact that withdrawal has on tuition owed. This bill also informs students of any processes which may exempt students from tuition owed after withdrawal. Most institutions have policies in place that hold students fully liable for withdrawing from school leaving students with substantial tuition bills that they cannot afford to pay.
- **Private Education Loan Protections:** This bill, [S.5136B](#), sponsored by Senator Kevin Thomas, requires lenders to provide information to cosigner applicants about their rights, annual notices regarding cosigner release, and timely notification if borrower has submitted an incomplete application. This bill seeks to help students with predatory practices from private education lenders.
- **TAP For High School Programs:** This bill, [S.552A](#), sponsored by Senator Shelley Mayer, allows the Tuition Assistance Program to be applied to dual-credit high school courses accepted by a postsecondary degree program. The dual-credit course programs help high school students complete their college degrees quicker, and oftentimes at a lower cost. This bill will encourage the expansion of dual-credit programs in New York high schools.

Bill sponsor, Senator Kevin Thomas said, “As New York works to recover from the COVID-19 pandemic, student borrowers need relief now more than ever. This package of legislation will empower students across our state by enhancing student borrower protections, cracking down on predatory lending, and ensuring that students and their families are properly informed of their rights and responsibilities before taking on debt. I thank my colleagues and Majority Leader Andrea Stewart-Cousins for standing up for students at this critical time.”

RELATED LEGISLATION

2021-S5136B

[student loans](#), [Cecilia Tkaczyk](#), [George Amedore](#), [Higher Education](#), [student debt](#)

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate
- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

[Relates to protections for private education loan borrowers and cosigners](#)

February 24, 2021

In Assembly Committee

Sponsored by **Kevin Thomas**

Do you support this bill?

2021-S7916B

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate
- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Increases the income eligibility threshold for the tuition assistance program

January 19, 2022

In Assembly Committee

Sponsored by **Toby Ann Stavisky**

Do you support this bill?

2021-S4449

-
- Introduced
 - - In Committee Assembly
 - In Committee Senate
 - - On Floor Calendar Assembly
 - On Floor Calendar Senate
 - - Passed Assembly
 - Passed Senate
 - Delivered to Governor
 - Signed By Governor
 -

Makes provisions with respect to student awards, loans and tuition assistance programs
February 04, 2021

In Assembly Committee

Sponsored by **Toby Ann Stavisky**

Do you support this bill?

2021-S7862

-
- Introduced

- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate
- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Prohibits state agencies from assessing certain additional collection fee charges on certain outstanding student debts

January 13, 2022

Signed by Governor

Sponsored by [Jamaal T. Bailey](#)

Do you support this bill?

2021-S664

-
- Introduced
 - - In Committee Assembly
 - In Committee Senate

- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate

- ◦ Passed Assembly
 - Passed Senate

- Delivered to Governor
- Signed By Governor
-

Relates to including information concerning repayment of outstanding loans in the standard financial aid award letter

January 04, 2021

In Assembly Committee

Sponsored by James Sanders Jr.

Do you support this bill?

2021-S859A

-
- Introduced
 - ◦ In Committee Assembly
 - In Committee Senate
 - ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate

- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to requiring new employees to be provided certain information relating to student loan repayment information

January 05, 2021

In Assembly Committee

Sponsored by **Andrew Gounardes**

Do you support this bill?

2021-S7914

-
- Introduced
 - - In Committee Assembly
 - In Committee Senate
 - - On Floor Calendar Assembly
 - On Floor Calendar Senate
 - - Passed Assembly
 - Passed Senate
 - Delivered to Governor

- Signed By Governor

-

Requires colleges, universities, professional, proprietary, and graduate schools to provide a notice of tuition liability policies

January 19, 2022

In Assembly Committee

Sponsored by **John C. Liu**

Do you support this bill?

2021-S552A

-
- Introduced
 - - In Committee Assembly
 - In Committee Senate
 - - On Floor Calendar Assembly
 - On Floor Calendar Senate
 - - Passed Assembly
 - Passed Senate
 - Delivered to Governor
 - Signed By Governor
 -

Relates to tuition assistance program awards for dual or concurrent enrollment coursework

January 04, 2021

In Assembly Committee

Sponsored by Shelley B. Mayer

Do you support this bill?