



NEW YORK STATE SENATE DEMOCRATIC MAJORITY

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Senate Majority to Pass Legislation to Alleviate Student Debt and Increase Tuition Assistance

(Albany, NY) The Senate Democratic Majority today will pass 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."

Bill sponsor and Chair of the Committee on Higher Education, Senator Toby Ann Stavisky said, "Too many students graduate from college, starting their careers owing thousands of dollars in student loans and mortgaging their future. The first of two bills I am sponsoring would increase the income for TAP eligibility from \$80,000 to \$110,000. The second bill requires the Higher Education Service Corporation (HESC) to make a determination on applications within sixty

days. These measures will provide relief for many working and middle class families in New York.”

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 Jamaal Bailey said, “All New Yorkers should be able to access a high-quality, affordable education. Alongside my colleagues’ legislation to increase financial eligibility for aid, provide new employees with information on student loan repayment options, and expanding TAP to more courses and programs, this legislation will bring urgently needed relief to students and help curb the growing student debt crisis that continues to hurt the livelihoods and futures of students across the state. The COVID-19 pandemic has only exacerbated this crisis by increasing the amount of student loan borrowers that have defaulted on their student loan payments. I am proud to sponsor S7862, which will make an affordable education more accessible to New Yorkers by amending the definition of debt to remove the twenty-two percent interest rate accrued from defaulting loans. This will remove the additional fees and costs that pile onto a student’s total debt, decrease the amount of money borrowers pay overtime, and eliminate the additional burden to students who are already struggling to pay crippling amounts of debt.”

Bill sponsor, Senator Andrew Gounardes said, “Ensuring New Yorkers of all backgrounds have equal access to higher education and to financial literacy regarding their educational choices is paramount. I am proud the Senate recognizes that we must ensure our young people have clear knowledge of their financial repayment options, and proud my colleagues voted to pass my bill today. Our state’s future depends on young New Yorkers: we cannot let them down.”

Bill sponsor, Senator John Liu said, “Too many students are still struggling to pay off their student loans, and many have even gone into debt simply because of a lack of communication about school withdrawal policies. Institutions of higher learning need to make sure students are well informed of their financial obligations in the event of a withdrawal, and this bill looks to make sure these important details are communicated in a timely and transparent manner.”

Bill sponsor, Senator Shelley Mayer said, “I thank my colleagues for their commitment and Senate Majority Leader Andrea Stewart-Cousins for her leadership in making higher education more accessible for New Yorkers. My bill, S.552A, will expand dual and concurrent enrollment programs in high schools, provide more opportunities for students and enable them to advance into college with less debt and financial concerns.”

Bill sponsor, Senator James Sanders Jr. said, “The enhancements in my bill S.664 to annual financial aid award letter will provide students with detailed information on their repayment including the estimated monthly payment amount. The goal is to better educate students so they are prepared for the debt burden after they graduate.”

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.”

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