



(B) IN ORDER TO QUALIFY FOR THE CREDIT, THE ELIGIBLE TAXPAYER SHALL:

(I) HAVE COMPLETED THE COURSE OF STUDY LEADING TO THE GRANTING OF A BACCALAUREATE DEGREE FROM AN INSTITUTION OF HIGHER EDUCATION WITHIN FOUR YEARS FROM THE COMMENCEMENT OF SUCH COURSE OF STUDY. PROVIDED, HOWEVER, IF THE ELIGIBLE TAXPAYER WAS EMPLOYED IN EXCESS OF THREE HUNDRED HOURS PER SEMESTER, THE ELIGIBLE TAXPAYER SHALL HAVE COMPLETED THE COURSE OF STUDY LEADING TO THE GRANTING OF A BACCALAUREATE DEGREE WITHIN FIVE YEARS FROM THE COMMENCEMENT OF SUCH COURSE OF STUDY;

(II) BE EMPLOYED FULL-TIME WITHIN THE STATE; AND

(III) HAVE COMPLETED TWENTY HOURS OF COMMUNITY SERVICE PER SEMESTER OF ENROLLMENT IN AN INSTITUTION OF HIGHER EDUCATION. PROVIDED, HOWEVER, FOR THOSE ELIGIBLE TAXPAYERS WHO HAVE BEEN GRANTED DEGREES WITHIN THREE YEARS OF THE EFFECTIVE DATE OF THIS SUBSECTION, SUCH TAXPAYERS SHALL COMPLETE THE COMMUNITY SERVICE WITHIN THE FIRST TAXABLE YEAR IN WHICH THE CREDIT IS CLAIMED.

(C) FOR ELIGIBLE TAXPAYERS WHO ENROLL IN A COURSE OF STUDY LEADING TO THE GRANTING OF A POST BACCALAUREATE OR OTHER GRADUATE DEGREE IMMEDIATELY FOLLOWING THE RECEIPT OF A BACCALAUREATE DEGREE, THE CREDIT SHALL BE ALLOWED IN THE FIRST TAXABLE YEAR SUBSEQUENT TO THE TAXPAYER'S COMPLETION OF SUCH DEGREE OR WHEN SUCH TAXPAYER CEASES TO BE ENROLLED IN SUCH COURSE OF STUDY AND IN EACH OF THE NEXT THREE TAXABLE YEARS PROVIDED ALL OTHER QUALIFICATIONS OF THIS SUBSECTION ARE MET.

(2) ALLOWABLE AND QUALIFIED COLLEGE EXPENSES. FOR THE PURPOSES OF THIS CREDIT:

(A) THE TERM "ALLOWABLE COLLEGE EXPENSES" SHALL MEAN THE TOTAL AMOUNT OF QUALIFIED COLLEGE EXPENSES INCURRED BY THE TAXPAYER DURING THE TAXPAYER'S ENROLLMENT IN A COURSE OF STUDY LEADING TO THE GRANTING OF A BACCALAUREATE DEGREE FROM AN INSTITUTION OF HIGHER EDUCATION.

(B) THE TERM "QUALIFIED COLLEGE EXPENSES" SHALL MEAN THE TUITION REQUIRED FOR THE ENROLLMENT OR ATTENDANCE OF THE TAXPAYER AT AN INSTITUTION OF HIGHER EDUCATION. PROVIDED, HOWEVER, TUITION PAYMENTS MADE PURSUANT TO THE RECEIPT OF ANY SCHOLARSHIPS OR FINANCIAL AID SHALL BE EXCLUDED FROM THE DEFINITION OF "QUALIFIED COLLEGE EXPENSES".

(3) INSTITUTION OF HIGHER EDUCATION. FOR THE PURPOSES OF THIS CREDIT, THE TERM "INSTITUTION OF HIGHER EDUCATION" SHALL MEAN ANY INSTITUTION OF HIGHER EDUCATION LOCATED IN THE STATE, RECOGNIZED AND APPROVED BY THE REGENTS, OR ANY SUCCESSOR ORGANIZATION, OF THE UNIVERSITY OF THE STATE OF NEW YORK OR ACCREDITED BY A NATIONALLY RECOGNIZED ACCREDITING AGENCY OR ASSOCIATION ACCEPTED AS SUCH BY THE REGENTS, OR ANY SUCCESSOR ORGANIZATION, OF THE UNIVERSITY OF THE STATE OF NEW YORK, WHICH PROVIDES A COURSE OF STUDY LEADING TO THE GRANTING OF A POST-SECONDARY DEGREE, CERTIFICATE OR DIPLOMA.

(4) REFUNDABILITY. THE CREDIT UNDER THIS SUBSECTION SHALL BE ALLOWED AGAINST THE TAXES IMPOSED BY THIS ARTICLE FOR THE TAXABLE YEAR REDUCED BY THE CREDITS PERMITTED BY THIS ARTICLE. IF THE CREDIT EXCEEDS THE TAX AS SO REDUCED, THE TAXPAYER MAY RECEIVE, AND THE COMPTROLLER, SUBJECT TO A CERTIFICATE OF THE COMMISSIONER, SHALL PAY AS AN OVERPAYMENT, WITHOUT INTEREST, THE AMOUNT OF SUCH EXCESS.

S 2. Subparagraph (A) of paragraph 2 of subsection (t) of section 606 of the tax law, as amended by section 1 of part N of chapter 85 of the laws of 2002, is amended to read as follows:

(A) The term "allowable college tuition expenses" shall mean the amount of qualified college tuition expenses of eligible students paid by the taxpayer during the taxable year[,]. THE AMOUNT OF QUALIFIED COLLEGE TUITION EXPENSES SHALL BE limited [to] AS FOLLOWS: FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND AND BEFORE TWO THOUSAND TWELVE, ten

thousand dollars for each such student; FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWELVE, TWELVE THOUSAND DOLLARS FOR EACH STUDENT; FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND THIRTEEN, FOURTEEN THOUSAND DOLLARS FOR EACH STUDENT; FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND FOURTEEN, SIXTEEN THOUSAND DOLLARS FOR EACH STUDENT; FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND FIFTEEN, EIGHTEEN THOUSAND DOLLARS FOR EACH STUDENT; AND FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND FIFTEEN, TWENTY THOUSAND DOLLARS PER STUDENT;

S 3. Paragraph 4 of subsection (t) of section 606 of the tax law, as added by section 1 of part DD of chapter 63 of the laws of 2000, is amended to read as follows:

(4) Amount of credit. [If allowable college tuition expenses are less than five thousand dollars, the amount of the credit provided under this subsection shall be equal to the applicable percentage of the lesser of allowable college tuition expenses or two hundred dollars. If allowable college tuition expenses are five thousand dollars or more, the amount of the credit provided under this subsection shall be equal to the applicable percentage of the allowable college tuition expenses multiplied by four percent.]

THE AMOUNT OF THE CREDIT SHALL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING SCHEDULES:

(A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND AND BEFORE TWO THOUSAND TWELVE:

IF ALLOWABLE COLLEGE TUITION EXPENSES ARE:	THE TAX CREDIT IS EQUAL TO:
LESS THAN FIVE THOUSAND DOLLARS	THE APPLICABLE PERCENTAGE OF THE LESSER OF ALLOWABLE COLLEGE TUITION EXPENSES OR TWO HUNDRED DOLLARS
FIVE THOUSAND DOLLARS OR MORE	THE APPLICABLE PERCENTAGE OF ALLOWABLE COLLEGE TUITION EXPENSES MULTIPLIED BY FOUR PERCENT

(B) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWELVE:

IF ALLOWABLE COLLEGE TUITION EXPENSES ARE:	THE TAX CREDIT IS EQUAL TO:
LESS THAN SIX THOUSAND DOLLARS	THE LESSER OF ALLOWABLE COLLEGE TUITION EXPENSES OR TWO HUNDRED FORTY DOLLARS
SIX THOUSAND DOLLARS OR MORE	THE ALLOWABLE COLLEGE TUITION EXPENSES MULTIPLIED BY FOUR PERCENT

(C) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND THIRTEEN:

IF ALLOWABLE COLLEGE TUITION EXPENSES ARE:	THE TAX CREDIT IS EQUAL TO:
LESS THAN SEVEN THOUSAND DOLLARS	THE LESSER OF ALLOWABLE COLLEGE TUITION EXPENSES OR TWO HUNDRED EIGHTY DOLLARS
SEVEN THOUSAND DOLLARS OR MORE	THE ALLOWABLE COLLEGE TUITION EXPENSES MULTIPLIED BY FOUR PERCENT

(D) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND FOURTEEN:

IF ALLOWABLE COLLEGE TUITION EXPENSES ARE:	THE TAX CREDIT IS EQUAL TO:
LESS THAN EIGHT THOUSAND DOLLARS	THE LESSER OF ALLOWABLE COLLEGE TUITION EXPENSES OR THREE HUNDRED TWENTY DOLLARS
EIGHT THOUSAND DOLLARS OR MORE	THE ALLOWABLE COLLEGE TUITION EXPENSES MULTIPLIED BY FOUR PERCENT

(E) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND FIFTEEN:

1 IF ALLOWABLE COLLEGE TUITION THE TAX CREDIT IS EQUAL TO:  
 2 EXPENSES ARE:  
 3 LESS THAN NINE THOUSAND DOLLARS THE LESSER OF ALLOWABLE COLLEGE  
 4 TUITION EXPENSES OR THREE HUNDRED  
 5 SIXTY DOLLARS  
 6 NINE THOUSAND DOLLARS OR MORE THE ALLOWABLE COLLEGE TUITION  
 7 EXPENSES MULTIPLIED BY FOUR PERCENT  
 8 (F) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND FIFTEEN:  
 9 IF ALLOWABLE COLLEGE TUITION THE TAX CREDIT IS EQUAL TO:  
 10 EXPENSES ARE:  
 11 LESS THAN TEN THOUSAND DOLLARS THE LESSER OF ALLOWABLE COLLEGE  
 12 TUITION EXPENSES OR FOUR HUNDRED  
 13 DOLLARS  
 14 TEN THOUSAND DOLLARS OR MORE THE ALLOWABLE COLLEGE TUITION  
 15 EXPENSES MULTIPLIED BY FOUR PERCENT  
 16 Such applicable percentage shall be twenty-five percent for taxable  
 17 years beginning in two thousand one, fifty percent for taxable years  
 18 beginning in two thousand two, seventy-five percent for taxable years  
 19 beginning in two thousand three and one hundred percent for taxable  
 20 years beginning after two thousand three.  
 21 S 4. Subsection (t) of section 606 of the tax law is amended by adding  
 22 a new paragraph 4-a to read as follows:  
 23 (4-A) INFLATION ADJUSTMENT. (A) FOR TAXABLE YEARS BEGINNING IN OR  
 24 AFTER TWO THOUSAND SIXTEEN, THE DOLLAR AMOUNTS IN SUBPARAGRAPH (A) OF  
 25 PARAGRAPH TWO AND PARAGRAPH FOUR OF THIS SUBSECTION SHALL BE MULTIPLIED  
 26 BY ONE PLUS THE INFLATION ADJUSTMENT.  
 27 (B) THE INFLATION ADJUSTMENT FOR ANY TAXABLE YEAR SHALL BE THE  
 28 PERCENTAGE, IF ANY, BY WHICH THE HIGHER EDUCATION PRICE INDEX FOR THE  
 29 ACADEMIC FISCAL YEAR ENDING IN THE IMMEDIATELY PRECEDING TAXABLE YEAR  
 30 EXCEEDS THE HIGHER EDUCATION PRICE INDEX FOR THE ACADEMIC FISCAL YEAR  
 31 ENDING JUNE, TWO THOUSAND FIFTEEN. FOR THE PURPOSES OF THIS PARAGRAPH,  
 32 THE HIGHER EDUCATION PRICE INDEX MEANS THE HIGHER EDUCATION PRICE INDEX  
 33 PUBLISHED BY THE COMMONFUND INSTITUTE.  
 34 (C) IF THE PRODUCT OF THE AMOUNTS IN SUBPARAGRAPHS (A) AND (B) OF THIS  
 35 PARAGRAPH IS NOT A MULTIPLE OF FIVE DOLLARS, SUCH INCREASE SHALL BE  
 36 ROUNDED TO THE NEXT MULTIPLE OF FIVE DOLLARS.  
 37 S 5. This act shall take effect immediately and shall apply to taxable  
 38 years beginning on or after January 1, 2012; provided, however, that  
 39 section one of this act shall apply to taxable years beginning on or  
 40 after January 1, 2013.

41 PART B

42 Section 1. Legislative findings and declaration of purpose. The legis-  
 43 lature hereby finds that the costs of completing higher education for  
 44 residents of the state of New York are increasing at a rate significant-  
 45 ly faster than the rate of inflation. Paying out of pocket has become  
 46 increasingly difficult for families and students seeking to improve  
 47 their educational and economic prospects. An affordable college educa-  
 48 tion has become increasingly inaccessible to large numbers of middle  
 49 class families in the state, for whom financial resources, including  
 50 state grants and scholarships, are either limited or unavailable. Many  
 51 families and students have no choice but to turn to the private lending  
 52 market in order to finance their higher education.  
 53 Compounding the problem is the fact that typical interest rates for  
 54 student loans offered through the private lending market are relatively

high when compared to interest rates for other purposes, such as a mortgage or automobile. Additionally, the average student loan debt upon graduation is more than \$26,000 per student in the state. Reducing the debt burden that students endure upon graduating college has become a critical public policy goal.

As increasing the share of the state's population that undertakes and completes higher education is also a desirable public policy goal, and an individual's decision to complete a program of postsecondary education typically reaps economic and social rewards to the individual, the legislature hereby declares that it is in the best interest of the state to create a student loan linked deposit program whereby the state will subsidize private lenders to provide reduced-rate loans to students.

S 2. Paragraph c of subdivision 1 of section 680 of the education law, as added by chapter 622 of the laws of 2008, is amended and a new paragraph d is added to read as follows:

c. To enter into cooperative agreements, subject to the approval of the board of trustees and the director of the budget, with other entities, including, but not limited to, other states, the federal government, and post-secondary institutions, to establish, administer, and operate federal student aid programs. Notwithstanding the provisions of paragraphs a and b of this subdivision, the corporation is authorized, pursuant to such cooperative agreements, to provide federal student aid services to students and families who are not residents of New York state[.]; AND

D. TO ADMINISTER AND OPERATE A STUDENT LOAN LINKED DEPOSIT PROGRAM PURSUANT TO ARTICLE FIFTEEN-A OF THE STATE FINANCE LAW.

S 3. Subdivision 2 of section 98-a of the state finance law, as added by chapter 705 of the laws of 1993, is amended to read as follows:

2. Notwithstanding any provision of law to the contrary, investment of bond proceeds and other funds not immediately required may be invested by the comptroller in linked deposits pursuant to article fifteen OR ARTICLE FIFTEEN-A of this chapter. If any moneys are invested by the comptroller in linked deposits pursuant to article fifteen OR ARTICLE FIFTEEN-A of this chapter, the comptroller shall compute the monthly earnings for all funds, other than the general fund, as if no such moneys had been invested in such linked deposits.

S 4. The state finance law is amended by adding a new article 15-A to read as follows:

#### ARTICLE 15-A

##### STUDENT LOAN LINKED DEPOSIT ACT

SECTION 225. SHORT TITLE.

226. DEFINITIONS.

227. ESTABLISHMENT AND PURPOSE; STUDENT LOAN LINKED DEPOSIT PROGRAM AUTHORIZATION.

228. RESPONSIBILITIES OF THE PRESIDENT, COMPTROLLER AND SUPER-INTENDENT.

229. RELEASE FROM LINKED DEPOSITS.

230. LINKED STUDENT LOANS.

231. INTEREST RATE FOR LINKED LOANS; NO LENDER'S FEES.

232. APPLICATION PROCEDURE.

233. REPAYMENT PERIODS FOR LINKED STUDENT LOANS.

234. LIABILITY; EARLY REPAYMENT AND WITHDRAWAL.

234-A. MONITORING AND REPORT.

234-B. PROMOTION OF PROGRAM.

234-C. RULES AND REGULATIONS.

1 S 225. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS  
2 THE "STUDENT LOAN LINKED DEPOSIT ACT".

3 S 226. DEFINITIONS. WHEN USED IN THIS ARTICLE, UNLESS A DIFFERENT  
4 MEANING CLEARLY APPEARS FROM THE CONTEXT, THE FOLLOWING TERMS SHALL HAVE  
5 THE FOLLOWING MEANINGS:

6 1. "AUTHORIZED DEPOSITOR" MEANS THE COMPTROLLER WITH RESPECT TO LINKED  
7 DEPOSITS MADE BY THE COMPTROLLER.

8 2. "COMPTROLLER" MEANS THE COMPTROLLER OF THE STATE OF NEW YORK.

9 3. "DEPARTMENT" MEANS THE DEPARTMENT OF FINANCIAL SERVICES.

10 4. "ELIGIBLE RECIPIENT" MEANS AN INDIVIDUAL THAT HAS SUCCESSFULLY  
11 APPLIED FOR A LINKED STUDENT LOAN AND MET ALL REQUIREMENTS PRESCRIBED BY  
12 THE PRESIDENT AND A LENDING INSTITUTION FOR RECEIPT OF A LOAN.

13 5. "LENDER" MEANS:

14 (A) ANY COMMERCIAL BANK WHICH IS OR SHALL BECOME AN APPROVED DEPOSITO-  
15 RY OF STATE FUNDS UNDER THE PROVISIONS OF SECTION ONE HUNDRED FIVE OF  
16 THIS CHAPTER AND WHICH AGREES TO PARTICIPATE IN THE PROGRAM; OR

17 (B) ANY THRIFT WHICH AN AUTHORIZED DEPOSITOR DETERMINES IS ELIGIBLE TO  
18 ACCEPT LINKED DEPOSITS BASED UPON CRITERIA APPLIED BY THE AUTHORIZED  
19 DEPOSITOR IN MAKING DETERMINATIONS UNDER SECTION ONE HUNDRED FIVE OF  
20 THIS CHAPTER, AND WHICH AGREES TO PARTICIPATE IN THE PROGRAM, PROVIDED  
21 THAT ANY LINKED DEPOSIT IN SUCH THRIFT SHALL BE SECURED IN THE SAME  
22 MANNER AS MONEYS DEPOSITED PURSUANT TO SECTION ONE HUNDRED FIVE OF THIS  
23 CHAPTER AND SUCH THRIFTS SHALL PLEDGE ASSETS OR FURNISH OTHER SECURITY  
24 SATISFACTORY IN FORM AND AMOUNT TO THE AUTHORIZED DEPOSITOR FOR THE  
25 REPAYMENT OF MONEYS.

26 6. "LINKED DEPOSIT" MEANS A DEPOSIT PLACED WITH A LENDER BY THE COMP-  
27 TROLLER FOR A PERIOD OF FOUR YEARS AT THE LINKED DEPOSIT INTEREST RATE,  
28 PROVIDED THE LENDER AGREES TO:

29 (A) LEND THE EQUIVALENT VALUE OF SUCH DEPOSIT TO AN ELIGIBLE BUSINESS  
30 AT THE INTEREST RATE PROVIDED IN SECTION TWO HUNDRED THIRTY-ONE OF THIS  
31 ARTICLE; AND

32 (B) PERMIT THE DEPOSIT TO BE COMPRISED OF A SERIES OF NINETY DAY  
33 DEPOSITS EACH BEARING AN INTEREST RATE EQUAL TO THE LINKED DEPOSIT  
34 INTEREST RATE FIXED AT THE TIME THE ORIGINAL DEPOSIT IS PLACED.

35 THIS ARTICLE AND THE RELATED STATUTES THAT REFER TO THIS ARTICLE DO  
36 NOT GRANT THRIFTS ELIGIBILITY TO ACCEPT PUBLIC FUNDS OR PUBLIC MONEYS  
37 FROM PUBLIC ENTITIES FOR INVESTMENT PURPOSES. A LINKED DEPOSIT IS  
38 INTENDED TO ENABLE A LENDER TO MAKE A LINKED LOAN TO AN ELIGIBLE RECIPI-  
39 ENT AND SUCH DEPOSIT EARNS A YIELD LOWER THAN POSTED RATES IN ORDER TO  
40 ACCOMPLISH THE GOALS OF THIS ARTICLE.

41 7. "LINKED DEPOSIT INTEREST RATE" MEANS FOR A LINKED DEPOSIT MADE IN  
42 CONNECTION WITH A LINKED LOAN TO AN ELIGIBLE RECIPIENT A FIXED RATE OF  
43 INTEREST WHICH IS THREE HUNDRED BASIS POINTS BELOW THE LENDER'S POSTED  
44 FOUR YEAR CERTIFICATE OF DEPOSIT RATE OR, IF THE LENDER DOES NOT OFFER A  
45 FOUR YEAR CERTIFICATE OF DEPOSIT, IS THREE HUNDRED BASIS POINTS BELOW  
46 THE AVERAGE STATEWIDE RATE FOR FOUR YEAR CERTIFICATES OF DEPOSIT AS  
47 DETERMINED BY THE SUPERINTENDENT OF FINANCIAL SERVICES. IN THE EVENT  
48 THAT THE LENDER'S POSTED FOUR YEAR CERTIFICATE OF DEPOSIT RATE, OR THE  
49 AVERAGE STATEWIDE RATE FOR FOUR YEAR CERTIFICATES OF DEPOSIT ARE BELOW  
50 THREE HUNDRED BASIS POINTS, THE LINKED DEPOSIT INTEREST RATE SHALL NOT  
51 BE LESS THAN ZERO.

52 8. "LINKED LOAN" MEANS A LOAN MADE TO AN ELIGIBLE RECIPIENT, IN AN  
53 AMOUNT EQUAL TO A LINKED DEPOSIT AND BEARING INTEREST FOR THE FIRST FOUR  
54 YEARS AT THE INTEREST RATE PROVIDED IN SECTION TWO HUNDRED THIRTY-ONE OF  
55 THIS ARTICLE.

1 9. "PRESIDENT" MEANS THE PRESIDENT OF THE HIGHER EDUCATION SERVICES  
2 CORPORATION.

3 10. "PROGRAM" MEANS THE STUDENT LOAN LINKED DEPOSIT PROGRAM.

4 11. "QUALIFIED EDUCATIONAL EXPENSES" MEANS THE ACTUAL OR EXPECTED COST  
5 OF A STUDENT'S HIGHER EDUCATION, WHICH SHALL INCLUDE THE FULL QUARTERLY,  
6 SEMESTERLY OR ANNUAL COST OF TUITION, FEES, BOOKS, SUPPLIES, ROOM AND  
7 BOARD.

8 12. "THRIFT" MEANS ANY SAVINGS BANK OR SAVINGS AND LOAN ASSOCIATION,  
9 FEDERAL SAVINGS BANK OR FEDERAL SAVINGS AND LOAN ASSOCIATION.

10 S 227. ESTABLISHMENT AND PURPOSE; STUDENT LOAN LINKED DEPOSIT PROGRAM  
11 AUTHORIZATION. THE STUDENT LOAN LINKED DEPOSIT PROGRAM IS HEREBY  
12 CREATED. THE PURPOSE OF THE PROGRAM IS TO MAKE AVAILABLE TO RESIDENTS  
13 OF NEW YORK STATE REDUCED RATE LOANS THAT WILL ASSIST IN THE FINANCING  
14 OF AN IN-STATE COLLEGE EDUCATION. THE COMPTROLLER IS HEREBY AUTHORIZED  
15 TO USE ANY MONEYS OF THE STATE THE COMPTROLLER IS AUTHORIZED TO INVEST  
16 PURSUANT TO SECTION NINETY-EIGHT OR NINETY-EIGHT-A OF THIS CHAPTER AS  
17 LINKED DEPOSITS FOR THE PROGRAM. NOT MORE THAN ONE HUNDRED MILLION  
18 DOLLARS OF SUCH MONEYS SHALL BE ON DEPOSIT PURSUANT TO THE PROGRAM AT  
19 ANY GIVEN TIME.

20 S 228. RESPONSIBILITIES OF THE PRESIDENT, COMPTROLLER AND SUPERINTEN-  
21 DENT. 1. THE PRESIDENT SHALL ADMINISTER THE PROGRAM PURSUANT TO SECTION  
22 TWO HUNDRED THIRTY-TWO OF THIS ARTICLE, INCLUDING ALL DECISIONS WITH  
23 RESPECT TO THE APPLICATION AND USE OF THE PROGRAM FOR ELIGIBLE RECIPI-  
24 ENTS; MARKET AND PROMOTE THE PROGRAM PURSUANT TO SECTION TWO HUNDRED  
25 THIRTY-FOUR-B OF THIS ARTICLE; AFTER CONSULTING WITH THE COMPTROLLER AND  
26 THE SUPERINTENDENT OF FINANCIAL SERVICES, ISSUE RULES AND REGULATIONS  
27 FOR THE OPERATION OF THE PROGRAM PURSUANT TO SECTION TWO HUNDRED THIR-  
28 TY-FOUR-C OF THIS ARTICLE.

29 2. THE COMPTROLLER'S RESPONSIBILITIES FOR THE PROGRAM SHALL BE LIMITED  
30 TO: PURSUANT TO SECTIONS TWO HUNDRED TWENTY-SEVEN AND TWO HUNDRED THIR-  
31 TY-TWO OF THIS ARTICLE, PLACING MONEYS ON DEPOSIT AT THE REQUEST OF THE  
32 PRESIDENT FOR THE PURPOSES OF THE PROGRAM AND ADMINISTERING SUCH DEPOS-  
33 ITS IN ACCORDANCE WITH SECTIONS NINETY-EIGHT, NINETY-EIGHT-A AND ONE  
34 HUNDRED FIVE OF THIS CHAPTER AND WITH THE COMPTROLLER'S ESTABLISHED  
35 PROCEDURES; AND ENTERING INTO DEPOSIT AGREEMENTS WITH LENDERS PURSUANT  
36 TO SECTION TWO HUNDRED THIRTY-TWO OF THIS ARTICLE.

37 3. THE SUPERINTENDENT'S RESPONSIBILITIES FOR THE PROGRAM SHALL BE  
38 LIMITED TO MARKETING AND PROMOTING THE PROGRAM PURSUANT TO SECTION TWO  
39 HUNDRED THIRTY-FOUR-B OF THIS ARTICLE.

40 S 229. RELEASE FROM LINKED DEPOSITS. THE AUTHORIZED DEPOSITOR MAY  
41 PERMIT FUNDS RELEASED FROM A LINKED DEPOSIT RELATING TO A LINKED LOAN TO  
42 BE MADE AVAILABLE FOR ADDITIONAL LINKED DEPOSITS UNDER THIS PROGRAM.

43 S 230. LINKED STUDENT LOANS. LINKED STUDENT LOANS SHALL BE MADE BY  
44 LENDERS PURSUANT TO THE PROGRAM ONLY TO ELIGIBLE RECIPIENTS FOR QUALI-  
45 FIED EDUCATIONAL EXPENSES. A LINKED LOAN SHALL BE LIMITED TO A MAXIMUM  
46 AMOUNT OF SEVEN THOUSAND FIVE HUNDRED DOLLARS PER ACADEMIC YEAR. AN  
47 ELIGIBLE RECIPIENT MAY RECEIVE NO MORE THAN ONE LINKED LOAN PER ACADEMIC  
48 YEAR. DURING THE LIFE OF THE LINKED LOAN PROGRAM, THE TOTAL AMOUNT OF  
49 MONEY THAT AN ELIGIBLE RECIPIENT CAN BORROW FROM THE LINKED STUDENT LOAN  
50 PROGRAM SHALL BE THIRTY THOUSAND DOLLARS. THE CREDIT DECISION FOR MAKING  
51 A LINKED LOAN SHALL BE MADE SOLELY BY THE LENDER, PROVIDED HOWEVER THAT  
52 SUCH LENDER SHALL ENSURE THAT AN ELIGIBLE RECIPIENT COMPLIES WITH THE  
53 PROVISIONS OF THIS ARTICLE, INCLUDING ANY RULES OR REGULATIONS ISSUED BY  
54 THE PRESIDENT. NOTWITHSTANDING THE LENGTH OF THE TERM OF A LINKED LOAN,  
55 THE LINKED DEPOSIT RELATING TO THE LINKED LOAN SHALL BE FOR A PERIOD OF  
56 NOT MORE THAN FOUR YEARS.

1 S 231. INTEREST RATE FOR LINKED LOANS; NO LENDER'S FEES. 1. LINKED  
2 LOANS MADE TO ELIGIBLE RECIPIENTS SHALL BEAR INTEREST AT A FIXED RATE  
3 EQUAL TO THREE PERCENTAGE POINTS BELOW THE FIXED INTEREST RATE THE LEND-  
4 ER WOULD HAVE CHARGED FOR THE LOAN IN THE ABSENCE OF A LINKED DEPOSIT  
5 BASED ON ITS USUAL CREDIT CONSIDERATIONS. LENDERS SHALL CERTIFY TO THE  
6 PRESIDENT THAT THE RATE TO BE CHARGED ON A LINKED LOAN IS THREE PERCENT-  
7 AGE POINTS BELOW THE INTEREST RATE THE LENDER WOULD HAVE CHARGED FOR THE  
8 LOAN IN THE ABSENCE OF A LINKED DEPOSIT.

9 2. LENDERS WHO MAKE LOANS PURSUANT TO THE PROGRAM SHALL NOT BE ENTI-  
10 TLED TO CHARGE ANY DISCOUNT, POINTS, ORIGINATION FEES, HANDLING FEES,  
11 SERVICE CHARGES, REFINANCING FEES OR PENALTIES OR ANY CHARGE OTHER THAN  
12 THOSE NORMALLY CHARGED AND IN SUCH AMOUNTS NORMALLY CHARGED BY THE LEND-  
13 ER FOR LOANS OF THE TYPE BEING MADE WITHOUT REGARD TO THE PROGRAM.

14 S 232. APPLICATION PROCEDURE. 1. THE PRESIDENT, WITH THE ASSISTANCE OF  
15 THE SUPERINTENDENT OF THE DEPARTMENT, SHALL ESTABLISH PROCEDURES AND  
16 OTHER REQUIREMENTS FOR PARTICIPATION IN THE PROGRAM, AND SHALL PROVIDE A  
17 SIMPLIFIED APPLICATION FORM TO THE PARTICIPATING LENDERS FOR LINKED  
18 DEPOSITS. SUCH FORM SHALL REFLECT THE QUALIFYING INFORMATION REQUIRED  
19 BY THIS ARTICLE FOR ELIGIBLE LOAN RECIPIENTS. UPON COMPLETION OF ANY  
20 APPLICATION FOR A LINKED DEPOSIT, THE LENDER SHALL SEND THE APPLICATION,  
21 TOGETHER WITH THE INTEREST RATE CERTIFICATION REQUIRED PURSUANT TO  
22 SECTION TWO HUNDRED THIRTY-ONE OF THIS ARTICLE, TO THE PRESIDENT WHO  
23 SHALL EITHER APPROVE OR REJECT THE APPLICATION WITHIN TWENTY-EIGHT DAYS.  
24 THE PRESIDENT SHALL EVALUATE EACH APPLICATION BASED UPON THE FOLLOWING  
25 CRITERIA:

26 (A) THE EXTENT TO WHICH SUCH LOAN WOULD REDUCE THE LONG-TERM COST OF  
27 FINANCING A STUDENT'S HIGHER EDUCATION;

28 (B) THE LIKELIHOOD OF THE STUDENT SUCCESSFULLY COMPLETING HIS OR HER  
29 HIGHER EDUCATION AND REPAYING THE LOAN WITHIN A TIMELY MANNER; AND

30 (C) SUCH OTHER CRITERIA AS THE PRESIDENT DEEMS RELEVANT.

31 2. IF THE DEPOSIT APPLICATION IS APPROVED BY THE PRESIDENT, HE OR SHE  
32 SHALL NOTIFY AN AUTHORIZED DEPOSITOR THAT A DETERMINATION HAS BEEN MADE  
33 THAT THE APPLICATION SATISFIES THE REQUIREMENTS OF THIS ARTICLE, AND THE  
34 PRESIDENT SHALL REQUEST THE AUTHORIZED DEPOSITOR TO DEPOSIT FUNDS WITH  
35 THE LENDER IN ACCORDANCE WITH SECTION NINETY-EIGHT-A OF THIS CHAPTER AND  
36 WITH THE AUTHORIZED DEPOSITOR'S ESTABLISHED PROCEDURES. SUCH DEPOSITS  
37 SHALL BE SECURED IN ACCORDANCE WITH THE PROVISIONS OF SECTION ONE  
38 HUNDRED FIVE OF THIS CHAPTER, AND LENDERS RECEIVING SUCH DEPOSITS SHALL  
39 SATISFY, IN THE SOLE JUDGMENT OF THE AUTHORIZED DEPOSITOR, ALL COLLAT-  
40 ERAL AND OTHER REQUIREMENTS GENERALLY APPLIED BY THE AUTHORIZED DEPOS-  
41 ITOR TO FUNDS INVESTED BY IT. THE NOTIFIED AUTHORIZED DEPOSITOR AND THE  
42 LENDER SHALL ENTER INTO A WRITTEN DEPOSIT AGREEMENT. IN NO EVENT SHALL  
43 ANY DEFECT IN ANY SUCH AGREEMENT BE ASSERTED AS A DEFENSE BY A BORROWER  
44 ON A LINKED LOAN MADE PURSUANT TO THE PROGRAM.

45 S 233. REPAYMENT PERIODS FOR LINKED STUDENT LOANS. THE PRESIDENT SHALL  
46 REQUIRE THAT LINKED STUDENT LOANS ISSUED THROUGH THE PROGRAM OFFER FLEX-  
47 IBLE REPAYMENT OPTIONS, INCLUDING THE OPTION OF AN INCOME-BASED REPAY-  
48 MENT PLAN. SUCH REPAYMENT OPTIONS MAY, IF THE PRESIDENT DEEMS IT ADVIS-  
49 ABLE, BE CONSISTENT WITH THE REPAYMENT TERMS STIPULATED BY THE WILLIAM  
50 D. FORD FEDERAL DIRECT LOAN PROGRAM AUTHORIZED PURSUANT TO 20 USC CHAP-  
51 TER 28, SUBCHAPTER IV, PART C.

52 S 234. LIABILITY; EARLY REPAYMENT AND WITHDRAWAL. NOTHING CONTAINED IN  
53 THIS ARTICLE SHALL IMPOSE LIABILITY ON THE STATE OR ANY OF ITS DEPART-  
54 MENTS OR EMPLOYEES FOR PAYMENT OR DELAYS IN PAYMENT OF THE PRINCIPAL OR  
55 INTEREST OF A LINKED LOAN. ANY DELAY IN PAYMENTS OR ANY DEFAULT ON A  
56 LINKED LOAN SHALL IN NO WAY AFFECT THE LINKED DEPOSIT AGREEMENT BETWEEN



1 THE LENDER AND THE AUTHORIZED DEPOSITOR. HOWEVER, IN THE EVENT THE  
2 INTEREST RATE OF THE LINKED LOAN SHALL BE INCREASED AS A CONSEQUENCE OF  
3 DEFAULT OR RENEGOTIATION, OR THE LOAN SHALL BE CHARGED OFF, THE LENDER  
4 SHALL GIVE THE AUTHORIZED DEPOSITOR PROMPT NOTICE OF SUCH EVENT, AND THE  
5 AUTHORIZED DEPOSITOR SHALL THEREAFTER WITHDRAW THE LINKED DEPOSIT UPON  
6 NOT LESS THAN SEVEN DAYS' PRIOR WRITTEN NOTICE TO THE LENDER. UPON EARLY  
7 REPAYMENT OF A LINKED LOAN, THE LENDER SHALL WITHIN THIRTY DAYS GIVE THE  
8 AUTHORIZED DEPOSITOR NOTICE OF SUCH EARLY REPAYMENT, AND THE AUTHORIZED  
9 DEPOSITOR SHALL THEREAFTER WITHDRAW THE LINKED DEPOSIT UPON NOT LESS  
10 THAN SEVEN DAYS' PRIOR WRITTEN NOTICE TO THE LENDER, AND THE INTEREST  
11 RATE PAYABLE ON THE LINKED DEPOSIT FROM THE DATE OF EARLY REPAYMENT OF  
12 THE LINKED LOAN TO THE DATE OF WITHDRAWAL OF THE LINKED DEPOSIT SHALL BE  
13 THE INTEREST RATE UPON WHICH THE LINKED DEPOSIT INTEREST RATE WAS CALCU-  
14 LATED WITHOUT REGARD TO THE APPLICABLE BASIS POINT REDUCTION.

15 S 234-A. MONITORING AND REPORT. 1. THE PRESIDENT SHALL MONITOR THE  
16 ACTIVITIES OF PARTICIPATING LENDERS AND LOAN RECIPIENTS AND MAY REQUIRE  
17 PERIODIC REPORTS OR OTHER INFORMATION THE PRESIDENT DEEMS NECESSARY FROM  
18 PARTICIPATING LENDERS AND LOAN RECIPIENTS ON THE STATUS OF THE LINKED  
19 LOANS TO ENSURE COMPLIANCE WITH THE PROVISIONS AND THE INTENT OF THIS  
20 ARTICLE.

21 2. ON OR BEFORE DECEMBER FIRST, TWO THOUSAND FOURTEEN, AND ANNUALLY  
22 THEREAFTER THE PRESIDENT SHALL SUBMIT TO THE GOVERNOR, THE TEMPORARY  
23 PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY A REPORT REGARD-  
24 ING THE ACTIVITIES OF THE PROGRAM. SUCH REPORT SHALL CONTAIN A STATEMENT  
25 OF THE COST OF THE PROGRAM TO THE STATE, CONSIDERED AS A WHOLE, BECAUSE  
26 OF REDUCED RATES ON FUNDS INVESTED IN LINKED DEPOSITS. SUCH REPORT SHALL  
27 ALSO INCLUDE, BUT SHALL NOT BE LIMITED TO, THE NUMBER AND TYPE OF LINKED  
28 LOANS UNDER THE PROGRAM AND THE AMOUNT THEREOF; THE NUMBER AND TYPES OF  
29 LENDERS MAKING LINKED LOANS AND OF INDIVIDUALS RECEIVING LINKED LOANS;  
30 THE GEOGRAPHIC DISTRIBUTION OF SUCH LENDERS AND RECIPIENTS, INCLUDING  
31 THE STEPS TAKEN TO ENSURE GEOGRAPHIC DIVERSITY AMONG PARTICIPATING LEND-  
32 ERS, AS WELL AS ANY INFORMATION THE PRESIDENT DETERMINES USEFUL IN EVAL-  
33 UATING THE BENEFITS OF THE PROGRAM.

34 S 234-B. PROMOTION OF PROGRAM. THE DEPARTMENT, WITH THE ASSISTANCE OF  
35 OTHER APPROPRIATE STATE AGENCIES, SHALL ACTIVELY MARKET AND PROMOTE  
36 AWARENESS OF THE PROGRAM IN ALL GEOGRAPHICAL AREAS OF THE STATE AMONG  
37 COMMERCIAL BANKS, THRIFTS AND OTHER APPROPRIATE BANKING ORGANIZATIONS.

38 S 234-C. RULES AND REGULATIONS. THE PRESIDENT SHALL, IN CONSULTATION  
39 WITH THE COMPTROLLER AND THE SUPERINTENDENT OF FINANCIAL SERVICES,  
40 PROMULGATE RULES AND REGULATIONS NECESSARY AND REASONABLE FOR THE OPERA-  
41 TION OF THE PROGRAM.

42 S 5. This act shall take effect on the one hundred eightieth day after  
43 it shall have become a law, provided however that effective immediately,  
44 the addition, amendment and/or repeal of any rules or regulations neces-  
45 sary for implementation of the foregoing sections of this act on its  
46 effective date is authorized and directed to be made and completed on or  
47 before such effective date.

48 PART C

49 Section 1. Paragraphs 6 and 7 of subsection (c) of section 301 of the  
50 financial services law, as added by section 1 of part A of chapter 62 of  
51 the laws of 2011, are amended and a new paragraph 8 is added to read as  
52 follows:

(6) providing technical assistance to local governments and not-for-profits in the development of consumer protection measures with respect to financial products and services; [and]

(7) continuing and expanding the detection, investigation and prevention of insurance fraud[.]; AND

(8) ESTABLISHING AND ADMINISTERING THE "STUDENT LENDING TRANSPARENCY PROGRAM" PURSUANT TO ARTICLE SIX OF THIS CHAPTER.

S 2. The financial services law is amended by adding a new article 6 to read as follows:

#### ARTICLE 6

##### STUDENT LENDING TRANSPARENCY PROGRAM

SECTION 601. DEFINITIONS.

602. STUDENT LENDING TRANSPARENCY PROGRAM.

603. RULES AND REGULATIONS.

S 601. DEFINITIONS. THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS WHEN USED IN THIS ARTICLE:

A. "PRIVATE STUDENT LOANS" SHALL MEAN A PRIVATE LOAN ISSUED BY A PRIVATE LENDING INSTITUTION FOR THE PURPOSES OF PAYING FOR OR FINANCING HIGHER EDUCATION EXPENSES.

B. "PRIVATE LENDING INSTITUTIONS" OR "PRIVATE LENDERS" SHALL MEAN ANY PRIVATE ENTITY THAT ITSELF OR THROUGH AN AFFILIATE MAKES AVAILABLE STUDENT LOANS TO PAY FOR OR FINANCE HIGHER EDUCATION EXPENSES.

C. "STUDENT BORROWER" SHALL MEAN ANY INDIVIDUAL WHO BORROWS MONEY FROM A PRIVATE LENDING INSTITUTION TO FINANCE HIGHER EDUCATION EXPENSES.

D. "HIGHER EDUCATION EXPENSES" SHALL INCLUDE THE FOLLOWING:

(I) TUITION AND FEES;

(II) BOOKS AND SUPPLIES; AND

(III) ROOM AND BOARD.

S 602. STUDENT LENDING TRANSPARENCY PROGRAM. 1. THE SUPERINTENDENT SHALL ESTABLISH A PROGRAM TO COMPILE DATA RELATED TO PRIVATE STUDENT LOANS FOR THE PURPOSE OF COMPARING PRIVATE LENDING INSTITUTION'S STUDENT LOAN INTEREST RATES AND REPAYMENT PLANS, INCLUDING POLICIES RELATING TO DEFERMENT AND FORBEARANCE, DEFAULT POLICIES AND PENALTIES, AND ANY OTHER INFORMATION THAT THE SUPERINTENDENT DEEMS RELEVANT FOR THE PURPOSE OF CREATING A LIST OF PRIVATE LENDERS WHO PROVIDE THE LOWEST RATES AND BEST REPAYMENT OPTIONS ON STUDENT LOANS. SUCH LIST SHALL BE CREATED AND MAINTAINED BY THE SUPERINTENDENT OR HIS DESIGNEE AND SHALL BE PLACED ON AN EASILY ACCESSIBLE WEBSITE THAT SHALL BE MADE AVAILABLE TO BE LINKED TO THE WEBSITE OF THE HIGHER EDUCATION SERVICES CORPORATION PURSUANT TO SUBDIVISION THIRTEEN OF SECTION SIX HUNDRED FIFTY-FIVE OF THE EDUCATION LAW AND TO COLLEGES AND UNIVERSITIES WEBSITES PURSUANT TO ARTICLE 14-B OF THE EDUCATION LAW.

2. SUCH WEBSITE SHALL BE UPDATED ON A MONTHLY BASIS TO ENSURE THAT THE STUDENT LOAN INFORMATION IS CURRENT AND ACCURATE. THE SUPERINTENDENT OR HIS OR HER DESIGNEE SHALL COMPILE A LIST OF THE TOP TEN BEST PRIVATE LENDING INSTITUTIONS BASED UPON RATES AND POLICIES THAT ARE MOST FAVORABLE TO THE STUDENT BORROWER. THE SUPERINTENDENT MAY ALSO CONSIDER THE PRIVATE LENDING INSTITUTIONS POLICIES FOR ALLOWING A STUDENT BORROWER TO BORROW MORE THAN TEN PERCENT OVER SUCH STUDENT BORROWER'S TOTAL COST OF HIGHER EDUCATION EXPENSES WHEN DETERMINING IF A PRIVATE LENDING INSTITUTION SHOULD BE PLACED ON SUCH LIST. INFORMATION PERTAINING TO LENDING INSTITUTIONS THAT DO NOT MAKE THE TOP TEN LIST SHALL ALSO BE POSTED ON SUCH WEBSITE AND THOSE LENDING INSTITUTIONS THAT PROVIDE THE WORST RATES AND STRICTEST REPAYMENT OPTIONS SHALL BE CLEARLY INDICATED.

S 603. RULES AND REGULATIONS. THE SUPERINTENDENT SHALL PROMULGATE ALL RULES AND REGULATIONS NECESSARY FOR THE IMPLEMENTATION OF THIS ARTICLE.

1 S 3. Section 655 of the education law is amended by adding a new  
2 subdivision 13 to read as follows:

3 13. TO CREATE A LINK ON THE CORPORATION'S WEBSITE TO THE DEPARTMENT OF  
4 FINANCIAL SERVICES WEBSITE PURSUANT TO SUBDIVISION ONE OF SECTION SIX  
5 HUNDRED TWO OF THE FINANCIAL SERVICES LAW.

6 S 4. The education law is amended by adding a new article 14-B to read  
7 as follows:

8 ARTICLE 14-B

9 STUDENT LENDING TRANSPARENCY PROGRAM

10 SECTION 697. CREATION OF PROGRAM.

11 698. ACCESS TO INFORMATION.

12 699. LINKS TO DEPARTMENT OF FINANCIAL SERVICES.

13 S 697. CREATION OF PROGRAM. THE STUDENT LENDING TRANSPARENCY PROGRAM  
14 IS HEREBY ESTABLISHED TO ENSURE THAT NEW YORK STATE COLLEGES PROVIDE THE  
15 MOST ACCURATE AND TRANSPARENT INFORMATION WITH REGARD TO STUDENT LOANS.

16 S 698. ACCESS TO INFORMATION. NOTWITHSTANDING ANY OTHER LAW, RULE OR  
17 REGULATION TO THE CONTRARY, NEW YORK STATE COLLEGES AS DEFINED IN  
18 SECTION SIX HUNDRED ONE OF ARTICLE THIRTEEN OF THE EDUCATION LAW, SHALL  
19 BE REQUIRED THROUGH THEIR FINANCIAL AID OFFICES TO PROVIDE TO PROSPEC-  
20 TIVE OR NEWLY ACCEPTED STUDENTS AND PARENTS CLEARLY OUTLINED AND EASY TO  
21 UNDERSTAND INFORMATION PERTAINING TO THE TOTAL COST OF ATTENDANCE AT  
22 THEIR INSTITUTION, THE APPROXIMATE OR ACTUAL TOTAL AMOUNT OF FINANCIAL  
23 AID THEY WOULD RECEIVE FROM SUCH INSTITUTION AND THE APPROXIMATE OR  
24 ACTUAL TOTAL AMOUNT OF STUDENT LOAN DEBT THEY WOULD ACCUMULATE OVER THE  
25 COURSE OF FOUR YEARS IF THEY ATTENDED SUCH COLLEGE. THE INFORMATION  
26 PROVIDED MUST ALSO INCLUDE STUDENT LOAN RATES, INFORMATION ON REPAYMENT  
27 PLANS AND DEFAULT RATES AND THE ACTUAL COST OF THE AVERAGE MONTHLY  
28 PAYMENT THAT WOULD BE REQUIRED UPON GRADUATION WHEN SUCH LOANS WOULD  
29 BECOME DUE.

30 S 699. LINKS TO DEPARTMENT OF FINANCIAL SERVICES. NEW YORK STATE  
31 COLLEGES THAT MAINTAIN AN OFFICIAL COLLEGE WEBSITE SHALL ALSO BE  
32 REQUIRED TO ADD A LINK ON EACH OF THEIR WEBSITES TO THE DEPARTMENT OF  
33 FINANCIAL SERVICES WEBSITE ON STUDENT LENDING TRANSPARENCY CREATED  
34 PURSUANT TO ARTICLE SIX OF THE FINANCIAL SERVICES LAW.

35 S 5. This act shall take effect on the one hundred eightieth day after  
36 it shall have become a law.

37 S 2. Severability. If any clause, sentence, paragraph, section or part  
38 of this act shall be adjudged by any court of competent jurisdiction to  
39 be invalid and after exhaustion of all further judicial review, the  
40 judgment shall not affect, impair, or invalidate the remainder thereof,  
41 but shall be confined in its operation to the clause, sentence, para-  
42 graph, section or part of this act directly involved in the controversy  
43 in which the judgment shall have been rendered.

44 S 3. This act shall take effect immediately provided, however, that  
45 the applicable effective date of Parts A through C of this act shall be  
46 as specifically set forth in the last section of such Parts.