



1 2. "PARTICIPANT" SHALL MEAN AN INDIVIDUAL WHO HAS INCURRED STUDENT  
2 LOAN DEBT FROM A LENDING INSTITUTION OR LENDER TO COVER THE COST OF  
3 TUITION AT THE STATE UNIVERSITY OF NEW YORK OR THE CITY UNIVERSITY OF  
4 NEW YORK AND HAS APPLIED TO PARTICIPATE AND BEEN ACCEPTED TO PARTICIPATE  
5 IN THE PROGRAM.

6 3. "LENDING INSTITUTION" OR "LENDER" SHALL MEAN ANY ENTITY THAT HAS  
7 ITSELF OR THROUGH AN AFFILIATE PROVIDED STUDENT LOANS TO AN ELIGIBLE  
8 PARTICIPANT.

9 4. "PROGRAM" SHALL MEAN THE NEW YORK STUDENT AFFORDABLE REFINANCING  
10 FOR TOMORROW PROGRAM (NEW START).

11 5. "FUND" SHALL MEAN THE NEW YORK AFFORDABLE REFINANCING FOR TOMORROW  
12 PROGRAM FUND ESTABLISHED BY SECTION NINETY-NINE-Y OF THE STATE FINANCE  
13 LAW.

14 S 694-D. NEW YORK STUDENT AFFORDABLE REFINANCING FOR TOMORROW PROGRAM  
15 (NEW START). THE NEW YORK STUDENT AFFORDABLE REFINANCING FOR TOMORROW  
16 PROGRAM (NEW START) IS HEREBY ESTABLISHED FOR THE PURPOSES OF RELIEVING  
17 STUDENT DEBT BY DIRECTLY PAYING AN ELIGIBLE PARTICIPANT'S LOAN DEBT TO  
18 THE LENDING INSTITUTION OR LENDER AND PROVIDING A REPAYMENT PLAN WHEREBY  
19 PAYMENTS WILL BE DEPOSITED IN THE FUND.

20 1. THE CORPORATION SHALL PROMULGATE RULES AND REGULATIONS FOR THE  
21 ADMINISTRATION OF THIS PROGRAM AND SHALL MANAGE THE FUND IN CONSULTATION  
22 WITH THE OFFICE OF THE COMPTROLLER.

23 2. THE CORPORATION SHALL DETERMINE ADDITIONAL REQUIREMENTS FOR ELIGI-  
24 BLE PARTICIPANTS, OTHER THAN THOSE SPECIFIED IN SECTION SIX HUNDRED  
25 NINETY-FOUR-E OF THIS PART, SHALL SET A FIXED INTEREST RATE FOR THE  
26 REPAYMENT OF REFINANCED LOANS, WHICH SHALL BE LOWER THAN THE AVERAGE  
27 MARKET RATE FOR PRIVATE STUDENT LOANS, AND SHALL ESTABLISH AN APPLICA-  
28 TION PROCESS FOR THE PROGRAM.

29 3. THE CORPORATION SHALL DETERMINE APPROPRIATE PAYMENT DEFERMENT AND  
30 FORBEARANCE OPTIONS FOR LOSS OF EMPLOYMENT OR EXTREME HARDSHIP.

31 S 694-E. PROGRAM ELIGIBILITY. 1. TO BE ELIGIBLE FOR THIS PROGRAM A  
32 PARTICIPANT MUST:

33 A. HAVE GRADUATED FROM THE STATE UNIVERSITY OF NEW YORK OR THE CITY  
34 UNIVERSITY OF NEW YORK WITHIN FOUR YEARS, OR FIVE YEARS IF ENROLLED IN A  
35 PROGRAM NORMALLY REQUIRING FIVE YEARS;

36 B. HAVE GRADUATED WITH A GRADE POINT AVERAGE AT OR ABOVE 3.0;

37 C. HAVE INCURRED STUDENT LOAN DEBT;

38 D. BE GAINFULLY EMPLOYED FOR AT LEAST THREE MONTHS PRIOR TO FILING AN  
39 APPLICATION TO PARTICIPATE IN THE PROGRAM;

40 E. AGREE TO SIGN A CONTRACT WITH THE CORPORATION TO ALLOW A DIRECT  
41 WITHDRAWAL OF PAYMENTS FROM THEIR PAY CHECKS UNTIL THE DEBT OBLIGATION  
42 IS PAID IN FULL; AND

43 F. MUST APPLY FOR THE PROGRAM WITHIN TWO YEARS AFTER COLLEGE GRADU-  
44 ATION.

45 S 694-F. PROGRAM. 1. THE CORPORATION SHALL MAKE LUMP SUM PAYMENTS TO  
46 LENDING INSTITUTIONS OR LENDERS TO PAY ELIGIBLE PARTICIPANTS' EDUCATION  
47 LOANS OUT OF THE FUNDS APPROPRIATED TO THE FUND FOR THE PURPOSES OF THIS  
48 PROGRAM IN AMOUNTS NOT TO EXCEED THIRTY-FIVE THOUSAND DOLLARS PER  
49 PARTICIPANT.

50 2. LOANS THAT THE PARTICIPANT ACQUIRED FROM THE FEDERAL GOVERNMENT OR  
51 THOSE LOANS THAT HAVE A FIXED INTEREST RATE PROVIDED AT AN INTEREST RATE  
52 AT OR LOWER THAN THE CURRENT FEDERAL LOAN INTEREST RATE SHALL NOT BE  
53 ELIGIBLE FOR ACQUISITION UNDER THE PROGRAM.

54 S 694-G. REPAYMENT. 1. PARTICIPANTS SHALL REPAY THE TOTAL COST OF THE  
55 DEBT OBLIGATION TO THE FUND AT AN INTEREST RATE DETERMINED BY THE CORPO-  
56 RATION ACCORDING TO THE FOLLOWING:

1 A. DURING THE FIRST FIVE YEARS OF PARTICIPATION IN THE PROGRAM, THE  
2 PARTICIPANT SHALL PAY THREE PERCENT OF THE SALARY EARNED PER YEAR DURING  
3 EACH OF THOSE YEARS;

4 B. DURING THE NEXT FIVE YEARS OF PARTICIPATION IN THE PROGRAM, THE  
5 PARTICIPANT SHALL PAY FIVE PERCENT OF THE SALARY EARNED PER YEAR DURING  
6 EACH OF THOSE YEARS;

7 C. DURING THE ELEVENTH YEAR OF PARTICIPATION AND EACH YEAR THEREAFTER  
8 UNTIL THE DEBT OBLIGATION IS PAID IN FULL, THE PARTICIPANT SHALL PAY  
9 EIGHT PERCENT OF THE SALARY EARNED PER YEAR DURING EACH OF THOSE YEARS.

10 2. THERE SHALL BE NO PRE-PAYMENT PENALTIES UNDER THE PROGRAM AND  
11 REPAYMENT SCHEDULES MAY BE CALCULATED AT A HIGHER PERCENTAGE RATE PER  
12 YEAR OF SALARY IF THE PARTICIPANT CHOOSES OR REQUESTS A FASTER RE-PAY-  
13 MENT OPTION.

14 S 2. The state finance law is amended by adding a new section 99-y to  
15 read as follows:

16 S 99-Y. NEW YORK STUDENT AFFORDABLE REFINANCING FOR TOMORROW PROGRAM  
17 FUND. 1. THERE IS HEREBY ESTABLISHED WITHIN THE CUSTODY OF THE NEW YORK  
18 STATE HIGHER EDUCATION SERVICES CORPORATION, IN CONSULTATION WITH THE  
19 STATE COMPTROLLER, OR HIS OR HER DESIGNEE, A FUND TO BE KNOWN AS THE NEW  
20 YORK STUDENT AFFORDABLE REFINANCING FOR TOMORROW PROGRAM FUND.

21 2. ALL MONIES RECEIVED PURSUANT TO THE NEW YORK STUDENT AFFORDABLE  
22 REFINANCING FOR TOMORROW PROGRAM (NEW START) SHALL BE DEPOSITED INTO THE  
23 FUND AND SHALL BE MANAGED PURSUANT TO PART SIX OF ARTICLE FOURTEEN OF  
24 THE EDUCATION LAW.

25 3. ALL NECESSARY RULES AND REGULATIONS FOR THE SUCCESSFUL ADMINIS-  
26 TRATION, INVESTMENT AND MANAGEMENT OF SUCH FUND SHALL BE PROMULGATED BY  
27 SUCH CORPORATION, IN CONSULTATION WITH THE STATE COMPTROLLER, OR HIS OR  
28 HER DESIGNEE.

29 S 3. This act shall take effect on the one hundred twentieth day after  
30 it shall have become a law, provided, however, that effective immediate-  
31 ly, the addition, amendment and/or repeal of any rule or regulation  
32 necessary for the implementation of this act on its effective date is  
33 authorized to be made and completed on or before such date.