

STATE OF NEW YORK

6754

2021-2022 Regular Sessions

IN SENATE

May 14, 2021

Introduced by Sen. SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the education law, in relation to refinancing undergraduate student loans; and making an appropriation therefor

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The education law is amended by adding a new section 683-c
2 to read as follows:

3 § 683-c. Refinance of undergraduate student loans. 1. Definitions. As
4 used in this section, the following terms shall have the following mean-
5 ings: (a) "Eligible borrower" shall mean an individual who has signed or
6 co-signed a loan for undergraduate education.

7 (b) "Corporation" shall be known as the higher education services
8 corporation.

9 (c) "Degree" shall mean the granting of a post-secondary degree or
10 diploma from a college or university.

11 (d) "Undergraduate student loans" shall mean any combination of feder-
12 al and private loans used for the purpose of an eligible borrower's
13 undergraduate education.

14 2. Refinance of undergraduate student loans program. An eligible
15 borrower shall apply to have their undergraduate education loans refi-
16 nanced by the corporation. The maximum amount allowed per refinanced
17 loan shall be seventy thousand dollars.

18 3. Eligibility. An eligible borrower shall include a New York state
19 resident who can provide proof to the corporation that they have gradu-
20 ated from a college or university with an undergraduate degree and has
21 at least ten thousand dollars in outstanding student loan debt relating
22 to such degree.

23 4. Repayment terms. Repayment terms shall be determined based on the
24 credit rating of the eligible borrower, the amount being refinanced, and
25 whether there is a co-signer to such loan. An eligible borrower shall

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 choose either (a) variable repayment or (b) fixed repayment. The options
2 for fixed repayment shall be (i) a five-year loan for no more than four
3 and a quarter percent, (ii) a ten-year loan for no more than five and a
4 half percent or (iii) a fifteen-year loan for no more than six and three
5 quarters percent.

6 5. Rules and regulations. The corporation is authorized to promulgate
7 rules and regulations necessary for the implementation of the provisions
8 of this section.

9 § 2. The sum of one hundred million dollars (\$100,000,000), or so much
10 thereof as may be necessary, is hereby appropriated to the department of
11 education out of any moneys in the state treasury in the general fund to
12 the credit of the state purposes account, not otherwise appropriated,
13 and made immediately available, for the purpose of carrying out the
14 provisions of this act. Such moneys shall be payable on the audit and
15 warrant of the comptroller on vouchers certified or approved by the
16 commissioner of education in the manner prescribed by law.

17 § 3. This act shall take effect immediately.