



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

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

6 5. "FUND" SHALL MEAN THE NEW YORK AFFORDABLE REFINANCING FOR TOMORROW  
7 PROGRAM FUND ESTABLISHED BY SECTION NINTY-NINE-W OF THE STATE FINANCE  
8 LAW.

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

15 1. THE CORPORATION SHALL PROMULGATE RULES AND REGULATIONS FOR THE  
16 ADMINISTRATION OF THIS PROGRAM AND SHALL MANAGE THE FUND IN CONSULTATION  
17 WITH THE OFFICE OF THE COMPTROLLER.

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

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

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

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

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

32 C. HAVE INCURRED STUDENT LOAN DEBT;

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

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

38 F. MUST APPLY FOR THE PROGRAM WITHIN TWO YEARS AFTER COLLEGE GRADU-  
39 ATION.

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

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

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

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

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

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

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

11 S 2. The state finance law is amended by adding a new section 99-w to  
12 read as follows:

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

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

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

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