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:

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

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

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

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

(d) "Undergraduate student loans" shall mean any combination of federal and private loans used for the purpose of an eligible borrower's undergraduate education.

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

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

4. Repayment terms. Repayment terms shall be determined based on the credit rating of the eligible borrower, the amount being refinanced, and 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.

LBD11450-01-1

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

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

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

§ 3. This act shall take effect immediately.