STATE OF NEW YORK

1137--A

2023-2024 Regular Sessions

IN SENATE

January 10, 2023

Introduced by Sens. SANDERS, LIU, MANNION, MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- recommitted to the Committee on Banks in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the banking law, in relation to including information concerning repayment of outstanding loans in the standard financial aid award letter

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

Section 1. Section 9-w of the banking law, as amended by section 1 of part CC of chapter 54 of the laws of 2016, is amended to read as follows:

§ 9-w. Standard financial aid award letter. The superintendent [~~of financial services~~] in consultation with the president of the higher education services corporation shall develop a standard financial aid award letter which shall clearly delineate (a) the estimated cost of attendance, including but not limited to, the cost of tuition and fees, room and board, books, and transportation. Such standard letter shall provide the estimated cost of attendance for the current academic year as well as estimates for each academic year that the student would need to attend to earn a degree at such institution with a disclaimer that the cost of attendance for years other than the current academic year are estimates and may be subject to change, (b) all financial aid offered from the federal government, the state, and the institution with an explanation as to which components will require repayment, (c) any expected student and/or family contribution, (d) campus-specific graduation, median borrowing, and loan default rates, [~~and~~] (e) **the estimated loan repayment impact using actual terms, expected repayment schedule and payoff amounts or, where such information is not available or fixed in the loan agreement, a standard ten year repayment term and assumed**

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

LBD04743-02-4

interest rate on the current amount of outstanding loans including total expected payoff amount inclusive of principal and interest, and expected monthly payment, and (f) any other information as determined by the superintendent in consultation with the president. Such standard letter shall include a glossary of standard terms and definitions used on such standard letter. The superintendent shall publish and make available such standard letter by December thirty-first, two thousand fifteen and thereafter. Each college, vocational institution, and any other institution that offers an approved program as defined in section six hundred one of the education law shall utilize the standard letter issued by the department of financial services in responding to all undergraduate financial aid applicants for the two thousand sixteen--two thousand seventeen academic year and thereafter. The superintendent shall promulgate regulations implementing this section.

§ 2. This act shall take effect immediately.