

# STATE OF NEW YORK

10568

## IN SENATE

May 26, 2026

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

AN ACT to amend the education law, in relation to establishing the New York reinvests in student educational supports program; and to repeal certain provisions of such law relating to the New York higher education loan program

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

1 Section 1. Legislative findings and intent. The legislature finds that  
2 recent changes to federal student lending programs have significantly  
3 reduced access to affordable credit for graduate students enrolled in  
4 academic and professional programs critical to New York's workforce and  
5 economic competitiveness, including graduate and professional degree  
6 programs in high need fields critical to New York's workforce such as  
7 education, nursing, healthcare, social services, public administration,  
8 creative arts, and other licensed professions.

9 The legislature further finds that the reduction or elimination of  
10 federal graduate lending options threatens enrollment, degree  
11 completion, and workforce supply in areas of demonstrated state need.

12 It is therefore the intent of the legislature to establish the New  
13 York Reinvests in Student Educational Supports (NY RISES) Program to  
14 provide eligible students with access to responsible, affordable educa-  
15 tional loans to supplement available federal student aid and help bridge  
16 the gap between the cost of attendance and available financial assist-  
17 ance.

18 § 2. Part 5 of article 14 of title 1 of the education law is REPEALED  
19 and a new part 5 is added to read as follows:

### PART V

#### NEW YORK REINVESTS IN STUDENT EDUCATION SUPPORTS PROGRAM

##### Section 690. Definitions.

##### 691. Powers and duties.

##### 692. Educational loans; special requirements.

##### 693. Repayment of loans.

##### 694. Sale of education loans.

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

LBD15994-01-6

1           694-a. Miscellaneous.

2           694-b. Reporting.

3       § 690. Definitions. As used in this part, the following terms shall  
4 have the following meanings unless otherwise specified:

5       1. "Authority" shall mean the dormitory authority of the state of New  
6 York (DASNY).

7       2. "Education loan" shall mean any loan that is made under this  
8 program to finance or refinance higher education expenses at an eligible  
9 college.

10       3. "Eligible borrower" or "borrower" shall mean (a) a student who is a  
11 resident of New York state attending or accepted for enrollment at an  
12 eligible college and is enrolled at least half time in an eligible  
13 program at an eligible college; or (b) the parent, legal guardian, or  
14 sponsor, as defined by the corporation in regulation, of a student who  
15 is enrolled, or accepted for enrollment at an eligible college, and who  
16 obtains an education loan from a lending institution to pay for or  
17 finance higher education expenses under this program.

18       4. "Eligible college" shall mean a post-secondary institution, located  
19 within New York state, eligible for funds under Title IV of the Higher  
20 Education Act of nineteen hundred sixty-five, as amended, or successor  
21 statute offering graduate or professional degree granting or certificate  
22 program.

23       5. "Eligible program" shall mean an accredited graduate or profes-  
24 sional degree program offered by a postsecondary institution that is  
25 approved by the commissioner and registered by the department pursuant  
26 to this chapter and applicable regulations.

27       6. "Eligible co-signer" shall mean a parent, legal guardian or other-  
28 wise credit worthy individual over twenty-one years of age who satisfies  
29 applicable credit criteria approved by the authority and is a resident  
30 of New York state.

31       7. "Higher education expenses" shall mean the cost of attendance at an  
32 eligible college and shall include tuition and fees, books, room and  
33 board, and other educationally related expenses, as determined by the  
34 authority.

35       8. "Holder" shall mean, with respect to an education loan: (a) a lend-  
36 er; (b) a public benefit corporation authorized to finance the purchase  
37 or making of education loans pursuant to the public authorities law; or  
38 (c) any assignee of such lender or public benefit corporation.

39       9. "Lending institution" or "lender" shall mean any entity that itself  
40 or through an affiliate originates education loans, other than an entity  
41 authorized to finance the purchase or making of education loans through  
42 the issuance of bonds pursuant to the public authorities law.

43       10. "Program" shall mean the New York reinvests in student educational  
44 supports program established by this part.

45       11. "Student" shall mean any individual who is enrolled at least half-  
46 time, as defined by the commissioner, at a graduate or professional  
47 degree granting or certificate program at an eligible college.

48       § 691. Powers and duties. In furtherance of the purposes set forth in  
49 this part, the authority shall serve as the governing and administering  
50 entity of the program, and shall have the following additional powers  
51 and duties:

52       1. To directly administer, or contract with one or more qualified  
53 third-party entities, including lending institutions, servicers, program  
54 administrators, or other financial entities, to market, originate,  
55 disburse, service, collect, administer, guarantee, secure, finance,  
56 purchase, or otherwise manage education loans made under this program.

- 1 2. To purchase defaulted education loans made under this program.
- 2 3. To establish and maintain one or more default reserve funds and
- 3 accounts within such funds, in accordance with the terms of this
- 4 program.
- 5 4. To develop and administer or contract to administer one or more
- 6 financial literacy programs.
- 7 5. To provide or contract to provide default aversion services.
- 8 6. To establish criteria for eligible colleges, lenders, and other
- 9 entities such as, but not limited to, servicers, and to enter into
- 10 participation agreements with any such eligible colleges, lenders, and
- 11 other entities and any entity authorized to finance the purchase or
- 12 making of education loans through the issuance of bonds pursuant to the
- 13 public authorities law, and any subsequent purchaser of education loans
- 14 made under this program.
- 15 7. To establish criteria for lender underwriting, education loan
- 16 purchases, servicing, and default insurance payments.
- 17 8. To establish criteria for the distribution of education loans made
- 18 under this program.
- 19 9. To audit lenders, servicers, holders, and eligible colleges for
- 20 program compliance.
- 21 10. To adopt rules and regulations to implement this program.
- 22 11. To enter into agreements with public or private entities for the
- 23 administration, servicing, origination, underwriting, processing,
- 24 compliance, customer service, or other operational functions necessary
- 25 to implement the program.
- 26 12. To phase in specific program requirements through rules and regu-
- 27 lations within a reasonable timeframe following the date this part takes
- 28 effect.
- 29 § 692. Education loans; special requirements. In any year in which
- 30 fixed rate education loans are to be acquired using the proceeds of
- 31 bonds issued by the authority or other public benefit corporation
- 32 authorized to issue bonds for the purposes of this program, preference
- 33 shall be given to education loans made to eligible borrowers for the
- 34 benefit of students who demonstrate financial need based on such
- 35 student's family gross income and to education loans made to eligible
- 36 borrowers for the benefit of students accepted or enrolled in a graduate
- 37 or professional degree granting program, pursuant to rules and regu-
- 38 lations promulgated by the authority after consultation with the author-
- 39 ity or other public benefit corporation authorized to issue bonds for
- 40 the purposes of this program.
- 41 1. Terms and conditions. (a) Eligible borrowers shall apply for educa-
- 42 tion loans under this program on forms prescribed by the authority.
- 43 (b) Except as may be provided by regulation, a student for whom an
- 44 education loan is made shall be required to first apply for and exhaust:
- 45 (i) their maximum eligibility of loans under the Federal Direct Student
- 46 Loan Program (FDSLPL), excluding PLUS loans; (ii) any other federal
- 47 student aid, other than HEAL loans and other aid permitted by the
- 48 authority to be excluded; (iii) any state student aid; and (iv) any
- 49 other student aid as prescribed by the authority before being eligible
- 50 for any education loan under this program.
- 51 (c) Borrowers shall successfully complete a financial literacy course
- 52 as prescribed by the authority.
- 53 (d) Student borrowers may apply for education loans under this program
- 54 with an eligible co-signer.
- 55 (e) A borrower, or co-signer, who is in default on an education loan
- 56 made under this program, the William D. Ford Program, or has failed to

1 comply with the terms and conditions of any award under this article and  
2 has failed to satisfactorily cure such default or non-compliance as  
3 prescribed by applicable law or regulation shall be ineligible to  
4 receive a loan under this program, and shall further be ineligible for  
5 any other state student aid while in default on an education loan made  
6 under this program.

7 (f) Participating eligible colleges, lending institutions, and other  
8 participants in this program shall be required to enter into a partic-  
9 ipation agreement with the authority and comply with all reporting and  
10 processing requirements and procedures as established by the authority.  
11 These participation agreements shall contain such other specific terms  
12 and conditions of the program as shall be determined by the authority.

13 2. Citizenship. A borrower shall be: (a) a citizen of the United  
14 States; or (b) a noncitizen lawfully admitted for permanent residence in  
15 the United States; or (c) an individual of a class of refugees paroled  
16 by the attorney general of the United States under their parole authori-  
17 ty pertaining to the admission of noncitizens to the United States.

18 3. Loan limits. Education loans made under this program shall have  
19 annual and cumulative loan limits as approved from time to time by the  
20 authority, subject to the approval of the authority, or other public  
21 benefit corporation authorized to issue bonds under the public authori-  
22 ties law for purposes of this program, with respect to loans that are  
23 expected to be financed by such entity.

24 4. Interest rates. The interest rate of loans made under this program  
25 shall be established in a manner that shall be approved at least annual-  
26 ly by the authority, subject to the approval of the authority, or other  
27 subject to the public benefit corporation authorized to issue bonds  
28 under the public authorities law for purposes of this program, with  
29 respect to loans that are expected to be financed by such entity.

30 5. Default fee. A percentage of the education loan shall be paid as a  
31 default fee, by or on behalf of the borrower or the lender, in an amount  
32 to be established at least annually by the authority subject to the  
33 approval of the authority, or other public benefit corporation author-  
34 ized to issue bonds under the public authorities law for purposes of  
35 this program, with respect to loans that are expected to be financed by  
36 such entity. The default fee established by the authority, subject to  
37 the approval of the authority, or other public benefit corporation  
38 authorized to issue bonds under the public authorities law for purposes  
39 of this program, with respect to education loans that are expected to be  
40 financed by such entity, shall be a percentage of the principal amount  
41 of such loans, as determined by the authority, that, together with other  
42 amounts on deposit in the applicable default reserve fund, shall not  
43 exceed an amount sufficient to ensure that the balance of such funds  
44 satisfies the obligations of such default reserve fund and permits such  
45 loans to be financed. This fee may be considered part of the cost of  
46 attendance for the purpose of calculating the loan amount for this  
47 program and shall be transmitted to the authority in accordance with  
48 rules or regulations promulgated by the authority. Such funds shall be  
49 deposited into one or more reserve funds or reserve accounts established  
50 and maintained by the authority pursuant to this part. The authority  
51 shall determine the amount necessary to maintain the fiscal integrity of  
52 the program and support repayment obligations associated with education  
53 loans made under this program. The default fee may be included as part  
54 of the cost of attendance for purposes of calculating loan eligibility.

55 6. Consolidation. Education loans made pursuant to this program may be  
56 eligible for consolidation upon the terms and conditions established by

1 the authority. Any person consolidating education loans under this  
2 program shall be considered a borrower for purposes of this part.

3 7. Default reserve funds. (a) The authority may establish and maintain  
4 one or more default reserve funds and accounts within such funds, in  
5 accordance with the terms of this program.

6 (b) The authority shall promptly deposit or transfer into such reserve  
7 funds, with respect to education loans, described in such provisions,  
8 any moneys received in connection with this program other than payments  
9 of principal and interest of education loans that are not in default  
10 status, including, but not limited to: (i) default fees; (ii) fees  
11 received from eligible colleges; (iii) funds received for the repayment  
12 of defaulted education loans, the unpaid principal, capitalized and  
13 unpaid accrued interest of which have been paid from the funds, includ-  
14 ing without limitation all such amounts received through the operation  
15 of voluntary collection activities, administrative wage garnishment or  
16 credit of tax overpayments less any amounts received for collection fees  
17 assessed by the authority; (iv) contractual penalties and subsidy fees;  
18 (v) any amount that may be appropriated to the authority; (vi) any  
19 amount received by the authority or any agent from any other source for  
20 deposit therein; and (vii) interest and investment income earned by the  
21 funds.

22 8. Lender due diligence. Participating lenders shall be required to  
23 perform all due diligence requirements as prescribed by the authority  
24 and incorporated into the participation agreement and into regulations  
25 promulgated by the authority.

26 9. Eligible college requirements. (a) Participating eligible colleges  
27 shall be required to certify loan eligibility upon forms prescribed by  
28 the authority and incorporated into the participation agreement and  
29 pursuant to regulations promulgated by the authority.

30 (b) Participating eligible colleges shall be required to contribute a  
31 one percent fee prescribed by the authority, subject to the approval of  
32 the authority, or other public benefit corporation authorized to issue  
33 bonds under the public authorities law for purposes of this program,  
34 with respect to loans that are expected to be financed by such entity,  
35 based upon the loan dollar volume or have the contribution made on its  
36 behalf, pursuant to the terms of the participation agreement. This fee  
37 shall be deposited into a designated account within one or more reserve  
38 funds or accounts established by the authority in subdivision seven of  
39 this section as applicable. This fee, or any other college fee, shall  
40 not be assessed to the student or eligible borrower in connection with  
41 this program.

42 § 693. Repayment of loans. 1. Terms of repayment. The terms of repay-  
43 ment of education loans made under this program shall be established in  
44 rules and regulations promulgated by the authority subject to the  
45 approval of the authority or other public benefit corporation authorized  
46 to issue bonds under the public authorities law for purposes of this  
47 program with respect to loans that are expected to be financed by such  
48 entity.

49 2. Grace period. The terms of any grace period for education loans  
50 made under this program shall be established in rules and regulations  
51 promulgated by the authority subject to the approval of the authority or  
52 other public benefit corporation authorized to issue bonds under the  
53 public authorities law for purposes of this program with respect to  
54 loans that are expected to be financed by such entity. Notwithstanding,  
55 the grace period established shall be no less than six months.

1 3. Forbearance and deferments. Education loans made under this program  
2 shall be eligible for in-school and military deferments pursuant to  
3 rules and regulations promulgated by the authority, or pursuant to such  
4 additional deferments and/or forbearance as offered by an eligible lend-  
5 er, in each case, subject to the approval of the authority, or other  
6 authorized public benefit corporation authorized to issue bonds under  
7 the public authorities law for purposes of this program, with respect to  
8 loans that are expected to be financed by such entity. Upon the assign-  
9 ment of a defaulted education loan made under this program for  
10 collection as described in subdivision five of this section, the borrow-  
11 er shall no longer be eligible for any forbearance or deferments while  
12 such loan remains in default.

13 4. Delinquency. A borrower shall be considered delinquent on an educa-  
14 tion loan under this program after thirty days of non-payment. The hold-  
15 er shall notify the authority promptly after the first day of delinquen-  
16 cy and the authority shall undertake actions to return the borrower to  
17 repayment pursuant to rules and regulations established by the authori-  
18 ty. Such actions shall include, but not be limited to, attempts at: (a)  
19 locating and contacting the borrower and/or co-signer, as applicable,  
20 regarding the delinquent status of their loan; (b) explaining the  
21 account history and clarifying any discrepancies; (c) counseling the  
22 borrower and/or co-signer, as applicable, regarding all available repay-  
23 ment options, inducing deferments, and any public assistance available  
24 to them; (d) providing the borrower and/or co-signer, as applicable,  
25 with documentation in connection with their loan or loans; (e) informing  
26 the borrower and/or co-signer, as applicable, of the consequences of  
27 default; and (f) any other assistance that would prevent a default by a  
28 borrower.

29 5. Default. (a) Any education loan under this program that is delin-  
30 quent for one hundred eighty days shall be deemed in default. Upon  
31 default, the holder shall file a claim with the authority and, if appli-  
32 cable, the authority, for payment from the New York education loan  
33 program variable rate default reserve fund, the New York education loan  
34 program fixed rate default reserve fund, or the authority New York  
35 education loan program default reserve fund, as described in subdivision  
36 seven of section six hundred ninety-two of this part, as applicable,  
37 pursuant to regulations promulgated by the authority. Upon receipt of a  
38 claim, the authority shall notify the borrower that their loan is being  
39 assigned to the authority for collection. The lender, or holder shall be  
40 paid one hundred percent of the outstanding principal, and of the capi-  
41 talized and unpaid accrued interest. Upon such payment, this amount  
42 shall be the principal owed by the borrower.

43 (b) All collection payments received by the authority from a borrower,  
44 or on behalf of borrowers, in default on loans made under this program,  
45 except collection fees shall be deposited into a designated account  
46 within one or more reserve funds or accounts established by the authori-  
47 ty in subdivision seven of this section as applicable.

48 6. Collection fee. The authority shall assess a collection fee, in an  
49 amount to be determined by the authority at least annually, on all  
50 defaulted education loans under this program. This fee shall be retained  
51 by the authority for the administration of the program. The aggregate  
52 annual revenue generated by such fee shall not exceed the actual costs  
53 incurred by the authority, in the preceding year, in collecting a  
54 defaulted loan under this program on which the authority has paid a  
55 claim. Any amounts in excess of actual cost shall be used to reduce the  
56 fee charged in the subsequent year.

1 7. Administrative wage garnishment. (a) Notwithstanding any provision  
2 of law to the contrary, the authority shall be entitled to garnish the  
3 disposable pay of an individual to collect the amount owed by the indi-  
4 vidual, if such individual fails to make required voluntary payments  
5 under a repayment agreement with the authority, provided that:

6 (i) The amount deducted for any pay period does not exceed fifteen  
7 percent of disposable pay. However, the amount deducted for any period  
8 may exceed fifteen percent with the written consent of the individual;

9 (ii) Prior to garnishment the individual shall have been given thirty  
10 days written notice to the individual's last known address advising such  
11 individual of the nature of the obligation, amount of the loan obli-  
12 gation, the authority's intent to garnish and an explanation of the  
13 individual's rights under this section including the right to inspect  
14 and copy records relating to the debt;

15 (iii) The individual shall have been given an opportunity within the  
16 mentioned thirty days to enter into a written repayment agreement  
17 with the authority to avoid garnishment of wages; and

18 (iv) The individual shall have been provided an opportunity for a  
19 hearing pursuant to the requirements of paragraph (f) of this subdivi-  
20 sion.

21 (b) The individual's employer shall pay to the authority amounts as  
22 directed in the withholding order and shall be liable for failure to  
23 comply with said order. The authority may sue an employer in a court of  
24 competent jurisdiction to recover from such employer the amount the  
25 employer fails to withhold from the individual's wages following receipt  
26 of the order of withholding with interest thereon plus attorneys' fees  
27 and costs;

28 (c) The notice of withholding served upon the employer shall contain  
29 only such information as is necessary for the employer to comply with  
30 the withholding order.

31 (d) No amount may be deducted from the wages of an individual who has  
32 been involuntarily separated from employment and has not been contin-  
33 uously employed for twelve months. An individual must prove that sepa-  
34 ration from employment was involuntary. Separation due to incarceration  
35 shall not qualify as involuntary separation.

36 (e) An employer may not discharge from employment, take disciplinary  
37 action against or refuse to employ an individual by reason of the fact  
38 that such individual's wages are subject to an order of withholding.  
39 Such individual may take action against said employer in a court of  
40 competent jurisdiction for reinstatement, back pay or such further  
41 relief as may be just and necessary.

42 (f) A hearing as described in subparagraph (iv) of paragraph (a) of  
43 this subdivision shall be provided prior to an order of withholding if  
44 the individual submits a written request for a hearing on or before the  
45 fifteenth day following the notice described in subparagraph (ii) of  
46 paragraph (a) of this subdivision in accordance with procedures set  
47 forth by the authority. If an individual fails to submit a written  
48 request in the time frame provided, the authority shall still provide a  
49 hearing upon receipt of a written request, but such hearing need not be  
50 provided prior to an order of withholding being issued to the employer.  
51 The hearing shall not be conducted by a party under the supervision or  
52 control of the authority except that nothing shall prohibit the authori-  
53 ty from appointing an administrative law judge. A hearing decision shall  
54 be issued no later than sixty days after the filing of the petition  
55 requesting the hearing.

1 (g) For purposes of this section, "disposable pay" shall mean that  
2 part of the compensation of any individual from an employer remaining  
3 after deduction of amounts required to be withheld by law.

4 (h) All funds received through administrative wage garnishment shall  
5 be deposited into a designated account within one or more reserve funds  
6 or accounts established by the authority in this subdivision as applica-  
7 ble.

8 8. New York state tax offset. The authority shall be entitled to  
9 receive credits of New York state tax overpayments pursuant to section  
10 one hundred seventy-one-d and paragraph three of subsection (e) of  
11 section six hundred ninety-seven of the tax law with respect to  
12 defaulted education loans under this program. All funds, or credits,  
13 received through such tax offsets shall be deposited into a designated  
14 account within one or more reserve funds or accounts established by the  
15 authority in subdivision seven of this section as applicable.

16 9. Statute of limitation. Notwithstanding any provision of law to the  
17 contrary, there shall be no statute of limitations to bring suit or  
18 otherwise collect an education loan under this program. Judgments in  
19 favor of the authority under this program shall not expire and there  
20 shall be no statute of limitations upon which to enforce or collect said  
21 judgment.

22 10. Capacity of minors. Any person otherwise qualifying for an educa-  
23 tion loan under this program shall not be disqualified by reason of  
24 being under the age of eighteen years and for the purposes of applying  
25 for, receiving and repaying such a loan, any such person shall be deemed  
26 to have full legal capacity to act. The authority, in collecting educa-  
27 tion loans under this program, shall not be subject to a defense raised  
28 by any borrower based on a claim of infancy.

29 11. Usury. Notwithstanding any provision of law to the contrary, the  
30 rate or amount of interest or fees payable on education loans made under  
31 this program shall not exceed twenty-five per centum per annum or its  
32 equivalent rate for a longer or shorter period.

33 12. Death and disability discharge. Upon the death of a student, for  
34 the funding of whose higher education expenses an education loan was  
35 made, the education loan made under this program shall be deemed  
36 discharged. If such a student becomes totally and permanently disabled,  
37 the education loan under this program shall be deemed discharged. A  
38 total or permanent disability shall mean a condition of an individual  
39 who is unable to work and earn money because of an injury or illness  
40 that is expected to continue indefinitely or result in death. The holder  
41 of such discharged education loans shall be paid the outstanding princi-  
42 pal, capitalized and unpaid accrued interest due from one or more  
43 reserve funds or accounts established by the authority in subdivision  
44 seven of this section as applicable.

45 13. Bankruptcy. Education loans under this program shall be considered  
46 non-dischargeable pursuant to section 523(a)(8) of the U.S. Bankruptcy  
47 Code.

48 14. Security interest. Notwithstanding any other provision of law,  
49 other than section one thousand six hundred eighty-two and section two  
50 thousand four hundred five-a of the public authorities law, a security  
51 interest in education loans shall be perfected only by the filing of a  
52 financing statement in the manner provided under section 9-310 of the  
53 uniform commercial code, and shall attach and be assigned priority in  
54 the manner provided under the uniform commercial code with respect to  
55 security interests perfected by such a filing, and a description of  
56 collateral consisting of education loans in any financing statement

1 shall be conclusively deemed to be legally sufficient if it refers to  
2 records identifying such loans retained by the authority, provided that  
3 any such security interest shall be subject to any applicable lien under  
4 section two thousand four hundred five-a of the public authorities law.  
5 The owner of any education loan shall advise the authority of any sale  
6 or assignment of such loan at the time and in the manner required by the  
7 authority.

8 15. Agreements. Notwithstanding any other provision of law, any eligi-  
9 ble public college or public career education institution is hereby  
10 authorized to enter into one or more agreements with the authority and  
11 any entity authorized to finance education loans pursuant to the public  
12 authorities law providing for the participation of such college or  
13 career education institution in the program and to perform or contract  
14 the performance of its obligations under any such agreement. Such obli-  
15 gations may include without limitation the payment obligations described  
16 in this title.

17 § 694. Sale of education loans. 1. The authority and holders shall be  
18 authorized to enter into one or more agreements for the sale of educa-  
19 tion loans made pursuant to this program.

20 2. Education loan purchases may be financed (a) by bonds issued by the  
21 authority, or any other entity authorized to issue bonds for such  
22 purpose pursuant to the public authorities law, in an amount approved by  
23 the director of the division of the budget; or (b) by other non-state  
24 sources in amounts established pursuant to an agreement with the author-  
25 ity.

26 3. The authority shall establish the criteria and terms upon which  
27 lenders may sell education loans subject to the approval of the authori-  
28 ty or any other entity authorized to issue bonds under this program with  
29 respect to loans that are expected to be financed by such entity.

30 § 694-a. Miscellaneous. 1. No education loan shall be deemed subject  
31 to section one hundred eight of the banking law, to article nine of the  
32 banking law or to any other provisions of law governing the qualifica-  
33 tions to make loans or the terms or conditions of loans described in  
34 this part, including, without limitation, the interest rates, fees and  
35 charges applicable thereto. Neither the authority nor any entity author-  
36 ized to finance education loans pursuant to the public authorities law  
37 shall be subject to any licensing requirements in connection with its  
38 education lending activities. No entity shall be considered a lender for  
39 purposes of any other provision of law solely as a result of its inter-  
40 est in an education loan made under this part.

41 2. Funds may be appropriated to the authority or other entity author-  
42 ized to issue bonds under this program, for the administration of this  
43 program.

44 3. Interest paid on education loans made under this program shall be  
45 allowed as a deduction in computing the net taxable income of any such  
46 person for purposes of any income or franchise tax imposed by the state  
47 or any political subdivision thereof.

48 4. Any agreement of an entity authorized to issue bonds under the  
49 public authorities law for purposes of this program to acquire education  
50 loans from a lender shall be subject to the availability to such entity  
51 of funding for such purpose upon terms and conditions approved by such  
52 entity and shall not require the expenditure by such entity of funds  
53 from any source other than amounts obtained through the issuance of  
54 bonds or notes, including earnings thereon, and any appropriations ther-  
55 eof.

1 5. The authority, any lender, and any public benefit corporation  
2 authorized to issue bonds under the public authorities law for the  
3 purposes of this program shall not be subject to title five of article  
4 five of the general obligations law with respect to education loans and  
5 such education loans shall not be subject to such title.

6 6. To the extent that the provisions of this part are inconsistent  
7 with the provisions of any other part of this article, the provisions of  
8 this part shall be controlling.

9 § 694-b. Reporting. The authority, after consultation with any other  
10 public benefit corporation that shall have issued bonds under the public  
11 authorities law for purposes of this program, with respect to loans that  
12 have been financed by or that are expected to be financed by such enti-  
13 ty, shall report annually with respect to education loans made under  
14 this program for the prior academic year to the governor, the temporary  
15 president of the senate, the speaker of the assembly, the director of  
16 the division of the budget, the senate finance committee, the assembly  
17 ways and means committee and the standing committees of the legislature  
18 having jurisdiction of higher education on the number and character-  
19 istics of students who received fixed rate and/or variable rate loans  
20 under this program, including, but not limited to, the interest rate  
21 charged, the default and collection fees established, the grace period  
22 established if other than six months, the number of students who  
23 received loans that demonstrated financial need pursuant to section six  
24 hundred ninety-two of this part, the income established by the authority  
25 pursuant to section six hundred ninety-two of this part, the number of  
26 students who received fixed rate loans, the number of students who  
27 received variable rate loans, the number of default claims received by  
28 the authority, the number of borrowers subject to administrative wage  
29 garnishment, and a list of the lenders and holders, if known, who have  
30 provided variable rate loans. Such annual report shall be submitted by  
31 the first day of December following the close of the academic year for  
32 which such education loans were made.

33 § 3. This act shall take effect July 1, 2027. Effective immediately,  
34 the dormitory authority of the state of New York is authorized to  
35 promulgate, amend and/or repeal any rule or regulation necessary for the  
36 implementation of this act on or before such effective date.