



---

May 6, 2019

**Memorandum of Opposition**  
S.4652 (Sanders)/ A.1932 (Zebrowski)

The Commission on Independent Colleges and Universities (CICU), representing more than 100 private, not-for-profit colleges and universities in New York State and educating nearly 500,000 students annually, opposes S.4652/A.1932 which would require colleges to provide information to students about loan repayment, information that colleges do not have.

Since 2016, New York State has required colleges and universities to provide students applying for financial aid with a standard financial aid award letter that clearly outlines cost of attendance and all financial aid offered to the student, along with the institution's graduation, median borrowing and loan default rates that they report to the U.S. Department of Education.

This proposal to provide loan repayment information for each individual student's loan obligations is not feasible. Colleges simply do not have access to the amount of student loans every student has incurred to date. Colleges do receive principal balance information once a year on students' aggregate federal student loan balances, but the amount of accrued interest and the interest rate of the loans, as well as any loans-in-progress would not be available. If students borrowed from a private lender, the college would only be aware of any private loans when the student enrolls in the institution; however, the terms of the private loan would not be available to the college.

Moreover, students may choose from numerous, very different, repayment options for their Federal student loans. The repayment schedules for these loans would differ dramatically depending upon the repayment option that a student ultimately chooses. Without accurate principal and accrued interest information, any calculation of potential monthly payments, and total expected payoff amounts provided to students would be grossly misleading.

Using information that is knowable to them, colleges are already required under New York and federal law to provide to students with information about median federal loan debt at a particular institution along with an estimated approximate monthly payment over 10 years for this median debt. This information can be found on the student's [Federal College Financing Plan](#) and [State Financial Aid Award Information Sheet](#) and gives students an important reference for understanding the cost of borrowing, which is the intent of the instant proposal.

Information and examples about loan repayment and options should come from the loan originator and/or loan servicer to supplement the information that colleges are required to provide via the Federal College Financing Plan and the State Financial Aid Award Information Sheet. Recognizing this, the federal government has created a [Repayment Estimator](#) to allow potential borrowers to get an early look at which plans they may be eligible for and see estimates for how much they would pay monthly and overall.

The FY 2019-20 State budget introduced requirements that student loan servicers provide students complete and accurate information about student loans (A.2008C/S.1508C – TED Bill, Part L). These student loan servicers have the full picture and should be on the front lines in ensuring that students understand their obligations.

While CICU supports efforts to inform students about their loan obligations, this bill would not help provide accurate and pertinent information. For these reasons the Commission on Independent Colleges and Universities opposes this legislation.