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NYHELPS a Bad Deal for Students
Advocates Oppose Student Lending Proposal

ALBANY – Advocates expressed dismay today at expected passage of the New York Higher Education Loan Program (NYHELPS). The program will cost \$50 million to launch and \$10 million annually thereafter. Yet independent analysts consider NYHELPS to be a poorly structured program with few safeguards for student borrowers.

“New York should not launch the nation’s most expensive state student loan program in the middle of the worst labor market for college graduates in a half century,” said SCAA President and CEO Karen Schimke. “We are going to bury those students in debt that will follow them for years to come.”

“Establishing NYHELPS without writing basic borrower protections into the law is a big mistake,” said Fran Clark, NYPIRG program coordinator. “With decisions about interest rates, fees, payment plans, etc. being made in regulation, it will be hard for legislators to ensure that the terms of NYHELPS loans protect students rather than banks or bond issuers.”

However, the organizations expressed support for the legislature’s decision to restore proposed cuts to the Tuition Assistance Program (TAP) and community college operating aid. “Low-income students desperately need opportunities for an affordable college education,” said Schimke. “TAP and community colleges are the best option for achieving that.”

More information is available from SCAA’s policy brief on NYHELPS:
http://www.scaany.org/initiatives/documents/memo_opp_nyhelps_002.pdf