

New York Higher Education Loan Program



2020 Annual Report

Submitted by
New York State Higher Education Services Corporation

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2020 Report: New York Higher Education Loan Program (NYHELPS)

Introduction

The New York Higher Education Loan Program (NYHELPS), a state-sponsored student loan program, was established in April 2009 following the New York State Commission on Higher Education's recommendation for the creation of a low-cost student loan program for residents attending college in New York State. In its Final Report findings, the Commission cited that the absence of such a program limited New York State students' college financing options, potentially inhibiting access or contributing to the accumulation of high-interest debt.

New York State Education Law and Public Authorities Law charge the New York State Higher Education Services Corporation (HESC) and the State of New York Mortgage Agency (SONYMA), doing business as the Higher Education Finance Authority (HEFA), with responsibility for administering the program and issuing federally tax-exempt bonds to finance the program, respectively.

Other key participants in the Program include Firstmark Services, the Program's loan servicer, and M&T Bank, which serves as the Trustee responsible for safeguarding the Program's loan pool funds and which also served as a Program lender. Original participants in the program also included: Pioneer Savings Bank, which served as a Program lender; Element K, developer of the Program's financial literacy platform; Bank of America Securities/Merrill Lynch and Morgan Stanley, which both served as the Program's bond underwriters; and Hawkins, Delafield & Wood, LLP, which served as bond counsel.

Pursuant to section 694-b of the Education Law, HESC must report annually with respect to education loans made under the Program. This Report details the activity for the 2019-20 academic year, beginning July 1, 2019 and ending June 30, 2020, as well as the cumulative Program activities for the 2009-10 through the 2019-20 academic years. Due to the suspension of the Program in 2012-13, no new loans were originated during the 2019-20 academic year.

Academic Years 2009-10 through 2019-20 Financing Activities

In December 2009, the State of New York Mortgage Agency (SONYMA) issued \$97.8 million in bonds towards funding the origination of the first NYHELPS loans. Of the \$97.8 million in bonds initially issued in 2009, \$0.2 million was originated for the spring term of the 2009-10 academic year, \$6.2 million was originated for the 2010-11 academic year and \$7.1 million was originated for the 2011-12 academic year. In April 2011, \$75 million was redeemed, allowing for approximately \$15 million in continued funding for new loan originations for the 2011-12 academic year. In August 2012, \$7.7 million was redeemed. This redemption represented the remaining funding capacity in the 2009 Series A bond financing. All loan funding was completed on May 1, 2012.

Academic Year 2019-20 Loan Activity

No new loans were originated during the 2019-20 academic year.

2019-20 NYHELPS Program Highlights* (Academic Year)

Loan Amounts

- Annual maximum loan amounts are the lesser of:
 - Cost of attendance minus all other federal (excluding federal PLUS loans), State, institutional and private aid; or
 - An annual maximum that varies by the year of the student:
 - Freshmen - \$10,000
 - Sophomores - \$15,000
 - Juniors, seniors and graduate students - \$20,000
- Aggregate maximum loan amounts of:
 - \$20,000 for undergraduates at 2-year institutions
 - \$50,000 for undergraduates at 4-year institutions
 - \$70,000 for undergraduate and graduate study combined
- The annual minimum loan(s) amount is \$2,000.

Eligibility Requirements

- Borrowers must be both a New York State resident and a U.S. citizen or an eligible non-citizen.
- Students must be matriculated at least half time at a participating New York State college.
- Parents, legal guardians, and sponsors may borrow on behalf of a matriculated student attending a participating college.
- Students/borrowers must exhaust all federal (excluding federal PLUS loans), State, and institutional aid.
- Students must meet federal satisfactory academic progress standards.

Cosigners

- A student borrower must have at least one primary cosigner with an established credit history and good credit rating.
- A cosigner must be a New York State resident and a U.S. citizen or an eligible non-citizen.
- A second cosigner, residing in the same household as the first cosigner, may be added to further help a borrower qualify for a loan.
- If available at the time of application, a borrower may apply to release a cosigner after making 48 consecutive on-time payments after the student leaves college.

* Due to the suspension of the Program in 2012-13, no new loans were originated during the academic year.

Repayment

- Three repayment options are available to student borrowers.
 - **Full Deferment:** Loan principal and interest is deferred during the in college period and the six-month grace period.
 - **Interest-Only:** Interest-only payments are made by the borrower during the in-college period and the six-month grace period. Principal and interest payments commence at the end of the grace period.
 - **Immediate Repayment:** Repayment of principal and interest begins immediately.
- All non-student borrowers must pay principal and interest while the student is in college.
- Repayment terms are based on the cumulative loan balance, with a standard 10- year repayment term. This repayment term is extended for higher cumulative balances for the portion of the borrower's balance exceeding the prescribed threshold. Extended payments must be requested by the borrower and must have cosigner approval at the time of application.

Table 1: 2019-20 NYHELPS Loans*
(Academic Year)

| Statutorily Requested Information | Characteristic | Number of Students** |
|--|---|---|
| 1. The Interest Rate Charged | 7.55% for Immediate Repayment 8.25% for Interest Only Repayment 8.75% for Full Deferment | 0 0 0 |
| 2. The Default Fees Established | <p>Student Borrowers Immediate Repayment: 4%: FICO = 740+ 5%: FICO = 700-739 6%: FICO = 660-699</p> <p>Interest Only: 5%: FICO = 740+ 6%: FICO = 700-739 7%: FICO = 660-699</p> <p>Full Deferment: 7%: FICO = 660+</p> <p>Non-Student Borrowers Immediate Repayment: 4%: FICO = 760+ 8%: FICO = 720-759</p> | 0 0 0 0 0 0 0 0 0 |
| 3. Collection Fee Established | 16.06% of payment received through 12/31/19, then 18.01% | 9 |
| 4. Grace Period Established if Other than Six Months | N/A | N/A |
| 5. Number of Students Who Received Loans that Demonstrated Financial Need (Pursuant to Section 692 of the Education Law) | N/A | 0 |
| 6. Income Established by the Corporation (Pursuant to Section 692 of the Education Law) | Less than or equal to \$80,000 NTI | 0 |
| 7. Number of Students Who Received Fixed-Rate Loans | N/A | 0 |
| 8. Number of Students Who Received Variable-Rate Loans | N/A | None |
| 9. Number of Default Claims Received by the Corporation | N/A | 4 |
| 10. Number of Borrowers Subject to Administrative Wage Garnishment | N/A | None |
| 11. A List of the Lenders and Holders, if Known, Who have Provided Variable-Rate Loans | N/A | None |

* Due to the suspension of the Program in 2012-13, no new loans were originated during the academic year.

**Student counts are unduplicated within each detail or total line as appropriate. This may result in student counts for detail lines not summing to total lines.

Table 1A: 2009-10 (Spring Term Only) through 2019-20 NYHELPS Loans
(Academic Year)

| Statutorily Requested Information | Characteristic | Number of Students* |
|--|---|--|
| 1. The Interest Rate Charged | 7.55% for Immediate Repayment 8.25% for Interest Only Repayment 8.75% for Full Deferment | 408 398 683 |
| 2. The Default Fees Established | <p>Student Borrowers Immediate Repayment: 4%: FICO = 740+ 5%: FICO = 700-739 6%: FICO = 660-699</p> <p>Interest Only: 5%: FICO = 740+ 6%: FICO = 700-739 7%: FICO = 660-699</p> <p>Full Deferment: 7%: FICO = 660+</p> <p>Non-Student Borrowers Immediate Repayment: 4%: FICO = 760+ 8%: FICO = 720-759</p> | 263 83 51 282 71 45 683 10 4 |
| 3. Collection Fee Established | 18.5% of payment received through 12/31/16, then 13.27% through 12/31/17, then 17.53% through 12/31/18, then 16.06% through 12/21/19, then 18.01% | 13 |
| 4. Grace Period Established if Other than Six Months | N/A | N/A |
| 5. Number of Students Who Received Loans that Demonstrated Financial Need (Pursuant to Section 692 of the Education Law) | N/A | 993 |
| 6. Income Established by the Corporation (Pursuant to Section 692 of the Education Law) | Less than or equal to \$80,000 NTI | 993 |
| 7. Number of Students Who Received Fixed-Rate Loans | N/A | 1,457 |
| 8. Number of Students Who Received Variable-Rate Loans | N/A | None |
| 9. Number of Default Claims Received by the Corporation | N/A | 31 |
| 10. Number of Borrowers Subject to Administrative Wage Garnishment | N/A | None |
| 11. A List of the Lenders and Holders, if Known, Who have Provided Variable-Rate Loans | N/A | None |

* Student counts are unduplicated within each detail or total line as appropriate. This may result in student counts for detail lines not summing to total lines. Cumulative totals are comprised of the number of unique loans made during each academic year; however, students receiving loans in multiple academic years are separately counted for each year in which a unique loan was received.

Table 2: NYHELPS Participating Colleges

| | | |
|----------------------------------|--|---------------------------------------|
| Albany College of Pharmacy | LeMoyné College | SUNY Purchase |
| Albany Medical College* | Long Island University | Syracuse University |
| Alfred State | Manhattan College | The Juilliard School* |
| Adelphi University | Manhattanville College | The King's College* |
| Berkeley College | Maria College | The Sage Colleges |
| Bryant & Stratton College | Marymount Manhattan College | Trocaire College |
| Canisius College | Medaille College | Union College |
| Cazenovia College | Mercy College | Union Graduate College* |
| Clarkson University | Metropolitan College of NY* | University at Albany, SUNY |
| Colgate University | Mohawk Valley CC | University at Buffalo, SUNY |
| College of Mount St. Vincent | Molloy College | Univ of Roch. - Eastman Sch. of Music |
| College of New Rochelle | Mount Saint Mary College | University of Rochester |
| College of Saint Rose | New York Institute of Technology | Utica College of Syracuse University |
| College of Westchester* | New York School of Interior Design | Utica School of Commerce* |
| Concordia College* | New York University | Vassar College |
| Cooper Union* | Niagara University | Villa Maria College |
| Culinary Institute of America | Olean Business Institute* | Wells College |
| Daemen College | Onondaga CC | |
| Dominican College of Blauvelt | Pace University | |
| Dowling College | Paul Smiths College | |
| D'Youville College | Phillips Beth Israel School of Nursing | |
| Elmira Business College* | Polytechnic Institute | |
| Elmira College | Rochester Institute of Technology | |
| Empire State College | Sarah Lawrence College | |
| Farmingdale State College | Samaritan Hospital School of Nursing* | |
| Fashion Institute of Technology | Siena College | |
| Five Towns College | Skidmore College | |
| Fordham University | St. John's University | |
| Fulton Montgomery C.C.* | St. Joseph's College | |
| Genesee C.C.* | St. Joseph's College of Nursing | |
| Hartwick College | St. Lawrence University | |
| Helene Fuld College of Nursing* | Stony Brook University | |
| Hobart and William Smith College | SUNY College of Tech. at Canton | |
| Hofstra University | SUNY Cobleskill | |
| Houghton College | SUNY Cortland | |
| Hudson Valley C.C. | SUNY New Paltz | |
| Iona College | SUNY Oswego | |
| Keuka College | SUNY Plattsburgh | |

*No loans were made at these participating colleges in any academic year.

**Table 3A: NYHELPS Academic Years
2009-10 (Spring Term Only) through 2019-20¹
Independent Colleges and Universities***

| | No. of Students | No. of Loans | Certified Approved Dollars | Average Loan |
|---|----------------------------|-------------------------|---|-------------------------|
| Interest Rate (%) | | | | |
| 7.55 | 317 | 329 | \$ 2,865,137 | \$ 8,709 |
| 8.25 | 277 | 285 | \$ 2,712,496 | \$ 9,518 |
| 8.75 | 496 | 518 | \$ 4,959,717 | \$ 9,575 |
| Default Fee (%) | | | | |
| 4 | 213 | 221 | \$ 1,916,594 | \$ 8,672 |
| 5 | 268 | 274 | \$ 2,598,439 | \$ 9,483 |
| 6 | 85 | 88 | \$ 734,785 | \$ 8,350 |
| 7 | 524 | 546 | \$ 5,245,261 | \$ 9,607 |
| 8 | 3 | 3 | \$ 42,270 | \$ 14,090 |
| Student's Family Income (AGI)* | | | | |
| <\$30,000 | 251 | 267 | \$ 2,301,501 | \$ 8,620 |
| \$30,000 - \$59,999 | 161 | 172 | \$ 1,291,494 | \$ 7,509 |
| \$60,000 - \$96,999 | 333 | 340 | \$ 3,240,874 | \$ 9,532 |
| >=\$97,000 | 340 | 353 | \$ 3,703,480 | \$ 10,491 |
| Residence of Borrower | | | | |
| Upstate | 891 | 942 | \$ 8,616,480 | \$ 9,147 |
| NYC & Long Island | 181 | 190 | \$ 1,920,869 | \$ 10,110 |
| TOTAL | 1,071 | 1,132 | \$ 10,537,349 | \$ 9,309 |

* \$97,000 AGI = \$80,000 NTI for a family of four

¹ Cumulative totals are comprised of the number of unique loans made during each academic year; however, students receiving loans in multiple academic years are separately counted for each year in which a unique loan was received.

* Due to the suspension of the Program in 2012-13, no new loans were originated during the 2019-20 academic year.

**Table 3B: NYHELPS Academic Years
2009-10 (Spring Term Only) through 2019-20²
State University of New York (SUNY)**

| | No. of Students | No. of Loans | Certified Approved Dollars | Average Loan |
|--|----------------------------|-------------------------|---|-------------------------|
| Interest Rate (%) | | | | |
| 7.55 | 89 | 92 | \$ 622,830 | \$ 6,770 |
| 8.25 | 114 | 116 | \$ 873,074 | \$ 7,527 |
| 8.75 | 183 | 191 | \$ 1,450,239 | \$ 7,593 |
| Default Fee (%) | | | | |
| 4 | 59 | 61 | \$ 439,168 | \$ 7,199 |
| 5 | 92 | 94 | \$ 687,797 | \$ 7,317 |
| 6 | 35 | 37 | \$ 264,900 | \$ 7,159 |
| 7 | 198 | 206 | \$ 1,547,394 | \$ 7,512 |
| 8 | 1 | 1 | \$ 6,884 | \$ 6,884 |
| Student's Family Income (AGI) | | | | |
| <\$30,000 | 64 | 67 | \$ 478,179 | \$ 7,137 |
| \$30,000 - \$59,999 | 49 | 51 | \$ 331,889 | \$ 6,508 |
| \$60,000 - \$96,999 | 131 | 137 | \$ 1,000,414 | \$ 7,302 |
| >=\$97,000 | 138 | 144 | \$ 1,135,661 | \$ 7,887 |
| Residence of Borrower | | | | |
| Upstate | 306 | 328 | \$ 2,394,116 | \$ 7,299 |
| NYC & Long Island | 68 | 71 | \$ 552,027 | \$ 7,775 |
| TOTAL | 374 | 399 | \$ 2,946,143 | \$ 7,384 |

² Cumulative totals are comprised of the number of unique loans made during each academic year; however, students receiving loans in multiple academic years are separately counted for each year in which a unique loan was received.

* Due to the suspension of the Program in 2012-13, no new loans were originated during the 2019-20 academic year.

**Table 3C: NYHELPS Academic Years
2009-10 (Spring Term Only) through 2019-20³
Proprietary Degree-Granting Institutions**

| | No. of Students | No. of Loans | Certified Approved Dollars | Average Loan |
|--|----------------------------|-------------------------|---|-------------------------|
| Interest Rate (%) | | | | |
| 7.55 | 2 | 2 | \$ 9,600 | \$ 4,800 |
| 8.25 | 7 | 7 | \$ 64,940 | \$ 9,277 |
| 8.75 | 4 | 5 | \$ 43,300 | \$ 8,660 |
| Default Fee (%) | | | | |
| 4 | 1 | 1 | \$ 3,000 | \$ 3,000 |
| 5 | 5 | 5 | \$ 45,440 | \$ 9,088 |
| 6 | 1 | 1 | \$ 6,600 | \$ 6,600 |
| 7 | 6 | 7 | \$ 62,800 | \$ 8,971 |
| 8 | 0 | 0 | \$ 0 | \$ 0 |
| Student's Family Income (AGI) | | | | |
| <\$30,000 | 3 | 3 | \$ 27,000 | \$ 9,000 |
| \$30,000 - \$59,999 | 2 | 2 | \$ 12,800 | \$ 6,400 |
| \$60,000 - \$96,999 | 6 | 6 | \$ 42,540 | \$ 7,090 |
| >=\$97,000 | 3 | 3 | \$ 35,500 | \$ 11,833 |
| Residence of Borrower | | | | |
| Upstate | 7 | 7 | \$ 64,540 | \$ 9,220 |
| NYC & Long Island | 6 | 7 | \$ 53,300 | \$ 7,614 |
| TOTAL | 13 | 14 | \$ 117,840 | \$ 8,417 |

³ Cumulative totals are comprised of the number of unique loans made during each academic year; however, students receiving loans in multiple academic years are separately counted for each year in which a unique loan was received.

* Due to the suspension of the Program in 2012-13, no new loans were originated during the 2019-20 academic year.

**Table 3D: NYHELPS Academic Years
2009-10 (Spring Term Only) through 2019-20⁴
All College Sectors**

| | No. of Students | No. of Loans | Certified Approved Dollars | Average Loan |
|--|----------------------------|-------------------------|---|-------------------------|
| Interest Rate (%) | | | | |
| 7.55 | 408 | 423 | \$ 3,497,567 | \$ 8,268 |
| 8.25 | 398 | 408 | \$ 3,650,510 | \$ 8,947 |
| 8.75 | 683 | 714 | \$ 6,453,256 | \$ 9,038 |
| Default Fee (%) | | | | |
| 4 | 273 | 283 | \$ 2,358,762 | \$ 8,335 |
| 5 | 365 | 373 | \$ 3,331,676 | \$ 8,932 |
| 6 | 121 | 126 | \$ 1,006,285 | \$ 7,986 |
| 7 | 728 | 759 | \$ 6,855,455 | \$ 9,032 |
| 8 | 4 | 4 | \$ 49,154 | \$ 12,289 |
| Student's Family Income (AGI) | | | | |
| <\$30,000 | 318 | 337 | \$ 2,806,680 | \$ 8,328 |
| \$30,000 - \$59,999 | 212 | 225 | \$ 1,636,183 | \$ 7,272 |
| \$60,000 - \$96,999 | 470 | 483 | \$ 4,283,828 | \$ 8,869 |
| >=\$97,000 | 481 | 500 | \$ 4,874,641 | \$ 9,749 |
| Residence of Borrower | | | | |
| Upstate | 1,204 | 1,277 | \$11,075,136 | \$ 8,673 |
| NYC & Long Island | 255 | 268 | \$ 2,526,196 | \$ 9,426 |
| TOTAL | 1,458 | 1,545 | \$13,601,332 | \$ 8,803 |

⁴ Cumulative totals are comprised of the number of unique loans made during each academic year; however, students receiving loans in multiple academic years are separately counted for each year in which a unique loan was received.

* Due to the suspension of the Program in 2012-13, no new loans were originated during the 2019-20 academic year.