

RULE REVIEW

Higher Education Services Corporation

Pursuant to Section 207 of the State Administrative Procedure Act (“SAPA”), notice is hereby provided of the following rules which the New York State Higher Education Services Corporation (“HESC”) intends to review in 2009. Public comment on the continuation or modification of these regulations must be received within 45 days of the date of publication of this notice.

The following regulations are subject to review in the 2009 calendar year:

8 NYCRR § 2101.2 - Simplification of lending process for borrowers.

Description of Rule: The rule is modeled after the Federal Family Education Loan Program’s (“FFELP”) “one lender, one guarantor” concept, which simplifies the student lending process for borrowers. To the extent practicable, and with the cooperation of the borrower, the “one lender” concept requires that lenders treat all of a borrower’s FFELP loans as a single loan. As a result, the borrower is able to receive one monthly statement from one lender, rather than multiple statements from multiple lenders.

Legal Basis for Rule: Education Law §§ 652; 653; 655; and 28 USC § 1092(c).

Need for Rule: This rule simplifies the student loan process for borrowers. The Higher Education Act of 1965 (“HEA”) grants student FFELP loan borrowers the right to the lender of their choice. As a result, student loan borrowers could receive multiple statements from multiple lenders representing multiple loans over the course of a student’s post-secondary education.

This rule requires each lender to report all FFELP loans to a student as if they were one loan. The rule benefits student loan borrowers by combining statements and providing borrowers with the ability to apply for a single forbearance or deferral for all loans with one application.

HESC Review: This regulation should be continued without modification.

8 NYCRR § 2201.2 - World Trade Center (“WTC”) memorial scholarships.

Description of Rule: The WTC Memorial Scholarship Program is a New York State program that provides undergraduate awards that cover the cost of attendance at the State University of New York (“SUNY”), City University of New York (“CUNY”), or a commensurate amount to attend an eligible college or university to survivors, spouses, children, and financial dependents of victims of the terrorist attacks on the World Trade Center and other locations on September 11, 2001. The rule provides necessary clarification of program criteria. In particular, the rule defines terms such as “severely and permanently disabled” and “impact area.”

Legal Basis for Rule: Education Law §§ 652, 653, 655, 608 and 668-d.

Need for Rule: In order to be eligible for benefits under the WTC Memorial Scholarship Program, a “severe and permanent disability”

must have occurred in an area that was impacted by the terrorist attacks. This rule is necessary to define the terms “impact area” and “severely and permanently disabled,” neither of which are defined by the enabling statute. The definition of “severely and permanently disabled” is necessary to prescribe the means by which this qualifying condition is established. The definition of “impact area” is necessary to establish precise geographic areas, (in locales including Manhattan, Washington, D.C., and the state of Pennsylvania), which an applicant must document for purposes of eligibility. In sum, these definitions provide guidance by clarifying eligibility criteria for an award under this program.

HESC Review: HESC does not anticipate amending this regulation at this time.

Agency Contact Information

Public comment on the continuation or modification of the above rules is invited. Comments must be received within 45 days of the date of publication of this notice. Comments or requests for information should be submitted to: George M. Kazanjian, Senior Attorney, Higher Education Services Corporation, Office of Counsel, 99 Washington Avenue, Room 1350, Albany, New York 12255, (518) 473-1581, email: regcomments@hesc.org

