STATEMENT OF SUPPORT: The Center for Independence of the Disabled, NY (CIDNY) works to ensure full integration, independence, and equal opportunity for all people with disabilities by removing barriers to the social, economic, cultural, and civic life of the community. We are writing to voice our support for the New York Student Loan Protection bill.

For people with disabilities, education is a way out of higher rates of poverty and higher rates of unemployment compared to people without disabilities.

When some people acquire an illness or disability or stop their studies due to their disability, they can receive relief on their student loans through Temporary or Permanent Disability Discharge.

However, many lenders or servicers don’t explain this option, even when they are aware of the reasons for stopping payment.

Take Berenice, for example, who borrowed $6,225 in student loans to attend a for-profit fashion college that is now closed due to fraudulent activity. After an illness, she was unable to pay and was not informed of a disability discharge. Her debt has now exploded to $32,000.

The New York Student Loan Protection bill would create a student loan ombudsman and require licensing of student loan servicing companies. By subjecting the servicing companies to state oversight, the state could then examine and supervise these companies, and make sure they are answering borrower’s questions; processing their applications and payments on a timely basis; and give information that enables borrowers to make smart choices for repayment and reduction of their loans. Four other states have already passed similar bills (CA, CT, IL and WA), as has the District of Columbia. Protections are being rolled back at the federal level, so this new proposed state protection is very important at this time.

Center for Independence of the Disabled, NY urges you to support Article VII Budget Legislation, TED Part W, Subpart A and protect New Yorkers from unfair, deceptive, and predatory tactics by student loan servicers.