



The New York Higher Education Loan Program (NYHELPS) is a private, credit-based, college-certified loan program for undergraduate and graduate students and their parents or nonparent sponsors. It provides a solution for students who still need funds after other types of state, federal, and institutional aid have been exhausted.

NYHELPS is designed to provide New York State students with access to competitively-priced private loans that would not otherwise be available to them.

The New York State Higher Education Services Corporation (HESC) is charged with establishing the overall Program features and administering the loan program.

Program Features

Fixed-rate loans will be available to eligible New York State student borrowers who have a required cosigner, or to eligible New York State parents, legal guardians, or sponsors on behalf of eligible students in the following amounts:

- Annual maximum loan amounts of
 - \$10,000 annually on behalf of a NYS student or
 - Cost of attendance minus all other State, federal (excluding federal PLUS loans), institutional, and other aid, whichever is less.
- Aggregate maximum loan amounts of
 - \$20,000 for undergraduates at 2-year institutions;
 - \$50,000 for undergraduates at 4-year institutions; and,
 - \$70,000 for undergraduate and graduate study combined.
- A minimum loan amount of \$2,000.

Other key program features require that

- Borrowers must first apply for, and receive all State, federal (excluding federal PLUS loans), and institutional aid for which they are entitled.
- Students be enrolled at least half time, making satisfactory academic progress in a degree or professional certificate program.



- A sponsor who is not a parent or legal guardian of the eligible student must be at least 21 years old and meet the credit eligibility criteria.

A sponsor is eligible to borrow up to \$10,000 for one unrelated student per year. In addition, a sponsor may borrow or cosign for up to three members of his or her family, where a parental relationship exists.

Interest Rates and Fees

Interest rates are subject to market conditions at the time of bond issuance. Students could receive an estimated rate of between 7.5 and 9.0 percent on fixed-rate NYHELPS loans beginning with the spring 2010 semester.

NYHELPS loans will be subject to borrower and college fees. The borrower fees may be added to the cost of attendance for the purpose of calculating the loan amount. The borrower fees will vary, based on the underlying credit quality of the borrower and cosigner.

A fee of 1 percent of the principal loan amount will be assessed to colleges on loans made on behalf of students attending their institution. This fee cannot be passed on to the student or non-student borrower. The fee will automatically be deducted from the proceeds sent to the college as part of the disbursement process.

Financial Literacy Education Will Be Integral

NYHELPS requires borrowers to complete and pass a comprehensive Web-based financial literacy education program. The e-learning component of the program helps students learn how to make smart borrowing decisions, provides guidance on the pitfalls of credit card debt, and emphasizes responsibility for paying back their student loans.

Application Procedure Will Include Transparent Loan Comparisons

NYHELPS borrowers will apply for their loans online, through HESC Student Loan Marketplace, a dynamic interactive Web site that educates users on best borrowing practices and provides them with a simple interface for comparing and contrasting loans using trustworthy information.

New Opportunity with a Familiar Process

NYHELPS is a new loan opportunity for students and families, but it does not require a lot of new work from you. The Program will rely on many of the same HESC platforms that are already familiar to you, such as HESCWeb, Altloan Connection, HESC Escrow EFT, and the Student Loan Marketplace, and should blend smoothly with your existing processes.

Additional Information and Participation

For additional information about NYHELPS or to participate in the Program, please contact Lisa Simpson at 518-473-0842 or lsimpson@hesc.com.

