



One West Main Street, Ste. 400
Rochester, New York 14614
(585) 325-2520

**Joint Legislative Public Hearings on 2022-2023 Executive Budget Proposal on
Higher Education**

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**Prepared by Anna Anderson
Supervising Attorney, Legal Assistance of Western New York, Inc.**

Legal Assistance of Western New York, Inc. (LawNY®), is a not-for-profit law firm that has provided free civil legal services to low-income families and individuals in fourteen counties in Western New York for over 50 years. There is a vital need in our community for expanded legal services related to educational debt, and LawNY submits this written testimony in support of EDCAP's \$3.5 million funding request.

Currently, there are 2.8 million student loan borrowers in New York State, with a cumulative debt of approximately \$99.8 billion. New York's average student loan debt is \$41,429, and 279,433 borrowers are in delinquency. Women, first-generation college students, low-income borrowers, seniors, and communities of color are particularly hard hit by the student loan crisis. For way too long, student loan borrowers had no option but to rely on a federal loan servicer industry that disseminates incomplete and sometimes erroneous information, resulting in missed opportunities for reducing or eliminating debt.

To change the state of the student debt crisis in New York, we need to ensure every borrower has access to the information and resources necessary to address their student loan situation. That is what EDCAP is designed to do. EDCAP, a program of the Community Service Society, is a one-stop shop for all higher education debt issues that provides a toll-free helpline, workshops, and free one-on-one counseling to guide student loan borrowers through the complex student loan repayment system. Since its inception in 2019, EDCAP has helped hundreds of borrowers, saved consumers more than \$2 million, and managed over \$38 million in student loan debt.

With increased funding for services, EDCAP will be able to further its reach to more New Yorkers struggling with student debt by expanding its existing network to other community partners and legal services agencies across the State. This fully-funded network of advocates will help consumers understand how to select the right repayment options, how to manage their loans, and how to avoid decisions that could ruin their credit and keep them in debt for years. EDCAP's services will also be vital as student loan payments resume, borrowers face servicer changes, and the temporary Public Service Loan Forgiveness waiver relief is implemented.

New Yorkers have very few places to turn to for trustworthy advice about their student loan situation, and in many rural and urban areas outside of New York City, help simply does not exist, leaving these borrowers vulnerable to predatory companies and scams. With the impending repayment start date threatening already struggling families' financial well-being, it is imperative that the State Legislature fully fund EDCAP to provide New Yorkers access to free one-on-one assistance to manage their student loan burdens and achieve economic stability.

Thank you for your consideration and the opportunity to testify.

Recommendation: Support EDCAP's \$3.5 million funding request for FY23.