

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AND  
WORKER PROTECTION

Jointly with the

COMMITTEE ON STATE AND  
FEDERAL LEGISLATION

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Thursday, November 17, 2022

Start: 1:21 p.m.

Recess: 2:45 p.m.

HELD AT: Council Chambers, City Hall

B E F O R E: Marjorie Velázquez, Chairperson  
Shaun Abreu, Chairperson

COUNCIL MEMBERS:

- Shaun Abreu
- Erik D. Bottcher
- Gale A. Brewer
- Amanda Farias
- Shekar Krishnan
- Julie Menin
- Chi A. Ossé
- Ari Kagan
- Carmen N. De La Rosa
- James F. Gennaro
- Jennifer Gutiérrez
- Christopher Marte

## A P P E A R A N C E S (CONTINUED)

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Deputy Director for Advocacy  
Student Borrower Protection Center

Jane Fox  
Member, Assoc. of Legal Aid Attorneys

2 SERGEANT AT ARMS: Good afternoon and welcome to  
3 today's New York Council hearing for the Committee on  
4 State and Federal Legislation jointly with the  
5 Committee on Consumer and Worker Protection. If you  
6 wish to submit testimony you may at  
7 Testimony@Council.nyc.gov. Once again that's  
8 Testimony@Council.nyc.gov. At this time please  
9 silence all electronic devices. Thank you for your  
10 cooperation Chairs. We are ready to begin

11 CHAIRPERSON ABREU: Gaveling In Good afternoon my  
12 name is Shaun Abreu, and I'm Chair to the Committee  
13 on State and Federal Legislation. I would like to  
14 first thank my colleague, Chair Velázquez, for  
15 working with me on this hearing today.

16 Today we'll be delving into the topic of student  
17 debt as a barrier to generational wealth. For many  
18 people across the country the debt they incur after  
19 seeking higher education feels almost impossible to  
20 repay. For New Yorkers it can at times be even more  
21 difficult with the cost of living continuing to rise.

22 BACKGROUND VOICES: There's no audio.

23 CHAIRPERSON ABREU: My apologies. There's no  
24 audio on the stream.

25 (BACKGROUND VOICES) (2 minutes silence)

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2 SERGEANT AT ARMS: Mic test. Mic test. Is our  
3 Zoom host getting our microphone test from the  
4 chambers?

5 Once again: Zoom host, are we getting an audio  
6 feed...?

7 That's why.

8 Once again, our zoom host, do you hear us from  
9 the chambers?

10 ZOOM HOST: I hear you now. Thank you.

11 SERGEANT AT ARMS: Thank you.

12 CHAIRPERSON ABREU: All right. I'm gaveling in.

13 [GAVEL]

14 This hearing has now commenced. Marjorie, you  
15 can go. Marjorie, you may begin.

16 CHAIRPERSON VELÁZQUEZ: All right. Good evening.

17 Good afternoon, everyone. Thank you all for joining

18 us today to discuss a problem that is plaguing so

19 many of us nationwide. My name is Marjorie

20 Velázquez, and I'm the Chair of the Committee on

21 Consumer and Worker Protection. Today's oversight

22 topic of student debt as a barrier to generational

23 wealth is a nuanced and layered topic. I say this

24 issue is nuanced. Because while at the end of the

25 day, the choice is to take out loans made by

2 prospective students, it feels like less of a choice  
3 when a college degree is presented as a prerequisite  
4 for making a livable wage.

5 On average, people with a college degree earn 80%  
6 More than those with only a high school diploma.  
7 This greatly incentivizes students to attend college  
8 even if it means going into debt. Many of these  
9 students are not properly educated on the  
10 consequences of taking out these loans and find  
11 themselves in situations where they are endlessly in  
12 a financial struggle. This is a cycle that can  
13 continue to perpetuate in later generations, and it  
14 is time to have a real conversation. But how we can  
15 change this trend.

16 Even as the current presidential administration  
17 attempts to give some partial relief to those that  
18 already really need it. It continues to be  
19 challenged, indicating a long road ahead. In  
20 September of 2022, a report released by New York  
21 State Comptroller's Office found that student loan  
22 balances in New York were 335% higher than they were  
23 in 2003 less than 20 years prior. Across the state  
24 loans to finance educational expenses are the highest  
25 category of personal debt, second to only housing.

2 As of August 2022, New York student loan borrowers  
3 owed a total of over \$90 billion.

4 Today, we're hearing from Intro 621 sponsored by  
5 Councilmember Ari Kagan, which will ban companies  
6 that charge a fee for student debt relief already  
7 provided by the federal government. These companies  
8 are preying on people in vulnerable positions and  
9 there should be consequences for their predatory  
10 behavior. Additionally, I'm sponsoring Intro 366  
11 Which would inquire the Department of Consumer and  
12 Worker Protection to report on public use of their  
13 Financial Empowerment Centers and student debt  
14 distress in the city.

15 Today, we are hoping to learn more about how  
16 these centers function and aid students so that we  
17 can ensure New Yorkers know of and have access to the  
18 tools the city offers and towards debt relief. I  
19 would like to give a special thank you to my  
20 colleague Chair Shaun Abreu for joining me today, and  
21 I'd also like to thank Committee staff for all their  
22 work putting this hearing together.

23 I now turn it over to Chair Abreu for his opening  
24 statement.

2 CHAIRPERSON ABREU: Good afternoon, Marjorie. I  
3 hope you're feeling better. My name is Shaun Abreu,  
4 and I am Chair to the Committee on State and Federal  
5 Legislation. I would like to first thank my  
6 colleague Chair Velázquez for working with me on this  
7 hearing today. As she just mentioned, today, we'll  
8 be delving into the topic of student debt as a  
9 barrier to generational wealth. For many people  
10 across the country, the debt they incur after seeking  
11 higher education feels almost impossible to repay.  
12 For New Yorkers, it can at times be even more  
13 difficult. With the cost of living continuing to  
14 rise. We all know this can be an expensive city to  
15 live in. While my main priority is always improving  
16 the lives of New Yorkers, we cannot overlook just how  
17 widespread this issue is. While loans from private  
18 institutions are a large part of the equation, the  
19 federal government also plays a significant role. As  
20 it stands the US federal government is the largest  
21 owner of student debt in the country. Rapid growth  
22 in the cost of schools has raised questions as to  
23 whether astronomical tuition can be really justified.  
24 The cost of tuition at a four year public college or  
25 university has increased 31.4% from 2010 to 2020

1 alone. If we go back even further, after adjusting  
2 for inflation, tuition has increased 747.8% since  
3 1963. This, coupled with the increasing requirement  
4 of a college degree from employers has created a  
5 pressure on prospective college students to attend  
6 college, or even graduate at any means necessary, or  
7 even graduate school at any means necessary, even if  
8 it means putting themselves tens or even hundreds of  
9 thousands of dollars in debt.  
10

11 As Chair Velázquez mentioned, today, we'll be  
12 hearing two bills: Intro 621, which aims to protect  
13 students from predatory lending, and would arm them  
14 with options should they be taken advantage of. If  
15 passed, Intro 366 will allow us to gain more insight  
16 on the use of DCWP's Financial Empowerment Center, so  
17 we can hopefully obtain more knowledge on how to best  
18 help those struggling to pay back their loans. I  
19 truly want those who are seeking higher education,  
20 whether for academic growth or career advancement, to  
21 be able to achieve their goals without having to dig  
22 themselves into a hole they cannot climb out of after  
23 they graduate. And that is why we're having this  
24 very necessary discussion today.  
25

2 I'd like to thank my colleagues that have joined  
3 us today and that includes, Christopher Marte,  
4 Krishnan, and Bottcher, Brewer, Ossé, Kagan, and of  
5 course Velázquez, as well as the legislative division  
6 staff for their hard work on preparing for this  
7 hearing, William and Jaishree. I will now turn it  
8 over to Councilmember Kagan for remarks on his bill.

9 COUNCILMEMBER KAGAN: Thank you very much, Chair  
10 Abreu and Chair Velázquez for the opportunity to talk  
11 about my bill, Introduction 621. As you heard  
12 already, this is a big issue nationwide, not just  
13 citywide, and this bill does not ban all businesses  
14 that offer services for students and their families,  
15 but creates parameters for businesses that offer  
16 these services. They will they will be required  
17 under this bill to provide a written disclosure,  
18 stating that these services are available for free by  
19 contacting the Federal Department of Education or a  
20 borrower's loan service. So if they don't do this,  
21 the first violation is between \$500 fine up to \$2,000  
22 fine, second violation up to \$3,000 fine. So we need  
23 to stop this current practice when someone using the  
24 opportunity just to charge tons of money from  
25

2 unsuspecting students or their families, for services  
3 that are readily available even on the website.

4 And as a journalist by trade, I wrote many, many  
5 times about these situations where all this  
6 information is publicly available. Of course, if  
7 someone after receiving written disclosure, saying,  
8 "Oh, I don't have time for this, please help me  
9 anyway." Like, but at least this person is  
10 knowledgeable. The person knows what... what is  
11 happening. That's why this bill, in my opinion is  
12 absolutely unnecessary, and I'm very grateful for  
13 this consideration, and we need to do everything  
14 possible to provide student debt relief in an honest  
15 manner. Thank you so much.

16 CHAIRPERSON ABREU: Thank you, Councilmember  
17 Kagan for your remarks. I would also like to  
18 recognize Councilmember Gennaro. I will now turn it  
19 over to our moderator Committee Counsel Jaishri  
20 Ganapathy to talk about some procedural items.

21 COUNSEL: Thank you, Chair Abreu. Good afternoon  
22 and welcome. My name is Jaishri Ganapathy. I'm  
23 counsel to the Committee on State and Federal  
24 Legislation.

2 Before we begin testimony, I want to remind  
3 everyone that is joining us via Zoom that you will be  
4 on mute until you are called to testify. I will be  
5 calling on public panel public witnesses to testify  
6 after the conclusion of the administration's  
7 testimony and Councilmember questions. So please  
8 listen carefully for your name to be called at that  
9 time.

10 Councilmembers, you will be called on for  
11 questions after the full panel has completed their  
12 testimony. And please note for the purposes of this  
13 virtual hearing, we will be allowing a second round  
14 of questioning. For public witnesses, once your name  
15 is called, if you're joining us via Zoom, a member of  
16 our staff will unmute you and the sergeant at arms  
17 will give you the cue to begin. Otherwise, if you  
18 are in person, you can come up to the table and speak  
19 your testimony.

20 I will now swear in the administration.

21 We have today representatives from the Department  
22 of Consumer and Worker Protection, and at this time I  
23 will administer the affirmation we have Carlos Ortiz,  
24 Assistant Commissioner of External Affairs, Andrew  
25 Schwenk, Associate General Counsel, and Haidee

2 Cabusora, Director of Policy and Research, and I  
3 apologize if I killed your name.

4 Do you affirm to tell the truth, the whole truth  
5 and nothing but the truth before this Committee and  
6 to respond honestly to Councilmember questions?

7 ALL: I do.

8 COUNSEL: Councilmember, you can go ahead. Yes,  
9 sorry. Please go ahead with your testimony.

10 ASSISTANT COMMISSIONER ORTIZ: Thank you. Good  
11 afternoon, Chair Velasquez and Chair Abreu, and  
12 members of the Committees. My name is Carlos Ortiz,  
13 and I'm the Assistant Commissioner for External  
14 Affairs at the Department of Consumer and Worker  
15 Protection. I'm joined by Andrew Schwenk, our  
16 Associate General Counsel, and Haidee Cabusora,  
17 Director of Policy and Research. Thank you for the  
18 opportunity to testify today on the impact of student  
19 loan debt on New Yorkers, as well as Introduction 366  
20 relating to require reporting on the public use of  
21 financial environment centers and student debt  
22 distress, and Introduction 61, relating to companies  
23 that charge a fee for student debt relief already  
24 provided by the federal government.

1 Student loan debt is one of the biggest financial  
2 issues affecting Americans today. Since the mid-  
3 1980s, the cost of college has increased at twice the  
4 rate of inflation. At the same time, the number of  
5 students who have borrowed to fund their education  
6 has also risen, as did the average loan size.

7  
8 Currently, almost 44 million Americans hold a  
9 collective \$1.6 trillion in student loan debt, making  
10 it the second largest source of consumer debt in the  
11 United States. The majority of this debt is owed to  
12 the federal government. Today, the average federal  
13 student debt load is almost \$38,000 with 15% of  
14 borrowers owing more than \$100,000. DCWP has  
15 identified that one in every six Yorkers has student  
16 loan debt, and more than half of those with a debt,  
17 owe more than \$20,000. Collectively, New York City  
18 residents owe more than \$34 billion in student loan  
19 debt. In 2019 and 2020 surveys, one in five New  
20 Yorkers with student loan debt have had been late  
21 with payments at least once in the previous 12  
22 months, and 61% of respondents were concerned that  
23 they would need more than the standard 10-year period  
24 to fully repay their loan. Half of all respondents  
25 in those surveys were student loan debt indicated

2 that their debt load had delayed or prevented them  
3 from making at least one major life choice, including  
4 buying a home or saving for retirement.

5       Importantly, the tremendous burden of student  
6 loan debt is not shared equally by all New Yorkers.  
7 In fact, it's disproportionately felt by New Yorkers  
8 of color and those who have low incomes. DCWP has  
9 worked diligently to understand and respond to the  
10 most pressing financial concerns facing New Yorkers  
11 in their everyday lives, including student loan debt.  
12 We do this in a few ways, such as by administering  
13 financial empowerment programs with contracted  
14 providers, and enforcing consumer protection laws and  
15 rules. DCWP's Financial Empowerment Centers,  
16 available across the five boroughs, provide one-on-  
17 one financial counseling to New Yorkers, including  
18 for clients dealing with student loan debt. Our  
19 financial our financial counselors receive in-depth  
20 training on student loans and how to guide clients to  
21 the complex and confusing process of repaying loans.  
22 Counselors and clients can check the status of their  
23 student loans, consolidate their student loan  
24 payments, or bring their student loans out of  
25 default.

1           Across New York City, there are currently 26  
2  
3           Financial Empowerment Centers open for in person  
4           services. Any New Yorker can schedule an appointment  
5           by calling 311 or visiting our website. So far in  
6           fiscal year 2021, DCWP financial counselors helped  
7           almost 7000 New Yorkers with financial counseling,  
8           resulting in \$2 million in savings. Increasingly,  
9           student loan debt has accounted for a larger  
10           proportion of all appointments, and we only expect  
11           the need for student loan focused financial constant  
12           to rise as the federal government's student loan  
13           payment policy expires in January 2023.

14           I want to give one example of the impact of our  
15           financial environment centers can have on New Yorkers  
16           struggling with student loan debt. Earlier this year  
17           a client with \$270,000 of student loan debt, visited  
18           one of our Financial Empowerment Centers for an  
19           introductory meeting with a counselor. After the  
20           meeting, the Council reviewed the client's financial  
21           situation, notice that they had worked enough years  
22           in public service to be eligible for the forgiveness  
23           through the Public Service Loan Forgiveness waiver  
24           and reached out to outline how to consolidate their  
25           loans and apply. Shortly thereafter, the client was

2 able to have the entire balance of their loans  
3 forgiven, and they are student debt free. In the  
4 client's own words, "Without a visit to DCWP's  
5 Financial Empowerment Center, none of this would have  
6 happened, and the student loan debt is no longer  
7 weighing on me and my life decisions."

8 In addition to our Financial Empowerment Centers,  
9 DCWP also takes actions against predatory businesses  
10 that mislead New Yorkers trying to obtain an  
11 education. For example, DCWP's recent investigation  
12 into the for-profit institution, Berkeley College,  
13 discovered they engaged in aggressive and deceptive  
14 tactics during student recruitment, including lying  
15 to students about federal student loans, concealing  
16 costs from students until it's too late for them to  
17 withdraw, collecting debt that was not owed, and  
18 deceiving former students about reenrollment. This  
19 past March, Mayor Adams announced our agreement with  
20 Berkeley to cease collection on \$20 million in  
21 outstanding student debt and pay \$350,000 in  
22 restitution to affected students.

23 Turning to today's legislation Introduction 366  
24 will require DCWP to report on the public's use of  
25 Financial Empowerment Centers annually, as well as

2 report bi-annually on student debt distress in New  
3 York City.

4 DCWP supports the intent of this legislation.

5 Currently, we report aggregate data on the public use  
6 of our Financial Empowerment Centers through the  
7 preliminary mayor's management report and the mayor's  
8 management report. We welcome suggestions and we'll  
9 be happy to work with the Council on improving our  
10 reporting. However, we have concerns about publicly  
11 distributing site-specific data concerning our  
12 Financial Empowerment Centers, and data regarding  
13 contracted providers that deliver services at each  
14 site. Financial Empowerment Centers and the contract  
15 providers vary in capacity, hours, location,  
16 operational history, and contractual obligations.  
17 Site-specific data points such as number of New  
18 Yorkers served or data concerning financial outcomes  
19 would paint an unfair and distorted picture without  
20 the context concerning relevant variables between  
21 providers and sites. With respect to reporting on  
22 student loan debt distress, DCWP has concerns that  
23 due to data privacy restrictions the agency might not  
24 be allowed to share the data on public platforms,  
25 including open data. We would like to work with the

2 Council to tackle these issues by identifying  
3 specific datasets and outcomes that are feasible for  
4 any new reporting requirements.

5 Moving on to Introduction 621, this legislation  
6 will require businesses that provide student debt  
7 relief services for a fee to provide customers with a  
8 written disclosure stating that these services are  
9 available for free by contacting the Federal  
10 Department of Education or a borrower's loan  
11 servicer. DCWP supports Introduction 621. New  
12 Yorkers suffering from student loan debt should not  
13 have to unwittingly pay for services that are  
14 available for free, and we look forward to discussing  
15 this bill further with the Council.

16 Thank you for calling today's hearing on an issue  
17 that deeply affects New Yorkers. As always, we  
18 greatly appreciate our partnership with the Council,  
19 and we welcome any questions you may have.

20 CHAIRPERSON ABREU: Thank you for your testimony.  
21 And thank you to all of you for being here today in  
22 the welcoming questions we have. My first question  
23 is: What is the Mayor's Office of Financial  
24 Empowerment's intake process for a first-time visitor  
25 to a Financial Empowerment Center?

2 ASSISTANT COMMISSIONER ORTIZ: Thank you for the  
3 question Chair. The... the Office of Financial  
4 Empowerment is... it's in the Department of Consumer  
5 and Worker Protection. We've had... we've been  
6 running that office since around 2008. Typically,  
7 what we would do for a client... a prospective client  
8 that comes in to a Financial Empowerment Center, is  
9 the counselor will sit down with them and do a needs-  
10 based assessment on their financial health. And that  
11 also includes identifying issues that might be of  
12 concern such as debt or savings, but also identifying  
13 financial goals as well. For example, reducing the  
14 debt. So we work... we really create a personal  
15 relationship with the counselors with the clients  
16 to... to reach to understand and reach these goals  
17 for their financial health.

18 CHAIRPERSON ABREU: What is the process for  
19 following up with an individual after an intake  
20 appointment?

21 ASSISTANT COMMISSIONER ORTIZ: Well, for us, I  
22 mean... I think it's... it's very important to have  
23 recurring appointments afterwards. It's not just one  
24 appointment and you're done. You really have to keep  
25 working with that counselor. And that includes

2 direct communication with the counselor that you met  
3 with. I know, in my personal experience with a  
4 financial counselor and folks in my family, we were  
5 able to get an email address and a phone number and  
6 talk to that counselor to set up appointments, but  
7 also touch base over... over a period of time. So  
8 it's definitely a very close relationship you have  
9 with your financial counselor.

10 CHAIRPERSON ABREU: Great. When you have an  
11 intake, what's the issue you find comes up the most  
12 in terms of the issues that folks come to the center  
13 with?

14 ASSISTANT COMMISSIONER ORTIZ: Well, I think  
15 the... You know, the three principal issues I think  
16 we're really working to identify as is how to reduce  
17 debt, how to increase savings, and how to improve  
18 your credit. And I think those... those align with  
19 what we're hearing from... from our clients.  
20 Increasingly, I think as part of that debt reduction  
21 process, we do hear about student loan debt as well.  
22 I would say in in this past September about 10% of  
23 appointments, the clients identified student loan  
24 debt as something they wanted to tackle with their

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2 financial counselor. So I think those are... those  
3 are the usual issues that clients bring to us there.

4 CHAIRPERSON ABREU: Got it. And you may not...  
5 may not be able to answer this, because I don't think  
6 there is any question in advance, but to the extent  
7 you know: What percentage of the folks who come  
8 through intake actually come back for a followup?

9 ASSISTANT COMMISSIONER ORTIZ: I think... I think  
10 we have a fair amount. I'm trying to find the data  
11 on that.

12 CHAIRPERSON ABREU: It's okay if you don't have  
13 it now.

14 ASSISTANT COMMISSIONER ORTIZ: We have clients,  
15 and then we report clients and then number of  
16 sessions as well. I think a fair amount, but I can  
17 follow up with that data.

18 CHAIRPERSON ABREU: Thank you. My second  
19 question... or second topic question is: What  
20 percentage of those who access financial services  
21 from Financial Empowerment Centers have student loan  
22 debt?

23 ASSISTANT COMMISSIONER ORTIZ: I don't know, sir,  
24 if we have the exact percentage that we have. I  
25 think, typically when a client comes in, they're not

2 just... they're... they're, they're identifying  
3 multiple sources of debt, perhaps. You know, it  
4 could be credit debt, it could be student loan debt.  
5 I can say that, you know, we have been tracking  
6 recently, the amount of appointments where somebody  
7 identified a student loan debt. So in September, we  
8 know that 10% of appointments, somebody identified  
9 student loan debt as something that they wanted to  
10 tackle.

11 CHAIRPERSON ABREU: Great. And to the extent you  
12 have this information, you could always just send  
13 that over.

14 ASSISTANT COMMISSIONER ORTIZ: Of course.

15 CHAIRPERSON ABREU: What percentage of people...  
16 you may not have -- based on the answer you gave me,  
17 you may not have an answer for this, but I'll ask  
18 anyway, for the record: What percentage of people  
19 are holding debt for their own student loans? And  
20 what percentage have student debt on behalf of a  
21 family member or a third... third party?

22 ASSISTANT COMMISSIONER ORTIZ: I'm not sure if I  
23 have the breakdown of that of that debt, but can say  
24 that one in six New Yorkers we know... New York City  
25 residents have student loan debt.

2 CHAIRPERSON ABREU: Yup. Alright. My third  
3 question is: What type of training does a Financial  
4 Empowerment Center counselor receive?

5 ASSISTANT COMMISSIONER ORTIZ: So let me pass  
6 that question over to my colleague, Haidee, who can  
7 actually describe the... the training.

8 CHAIRPERSON ABREU: Okay. Sounds good.

9 MS. CABUSORA: Thank you for that question. At  
10 higher Financial Empowerment Centers, counselors go  
11 through a CUNY-approved certification... financial  
12 counseling certification process. They are certified  
13 at the end of it, so they have to take the course and  
14 they have to pass the course. Then on a quarterly  
15 basis, we run trainings for all of our Financial  
16 Empowerment Center counselors as a group. And then  
17 we have specialty topics. And in fact, student loans  
18 has been the topic of this fall. So we work with our  
19 partners across the city in the state, including  
20 Community Service Society, New York State Department  
21 of Financial Services, and Student Borrower  
22 Protection Center -- so colleagues here in this room  
23 -- and they run monthly trainings on... subject  
24 matter experts on particular topics, so that the  
25

2 counselors are is as proficient and as educated as  
3 they can be in this emerging world.

4 CHAIRPERSON ABREU: Is it fair to say that  
5 there's a good... a decent percentage... to the  
6 extent you can ascribe a percentage, what percentage  
7 of the folks who get training have a background in  
8 student loan debt? Because then it's like a whole  
9 beast of its own, if you will.

10 ASSISTANT COMMISSIONER ORTIZ: Well... uh, sorry.  
11 Could you repeat the question?

12 CHAIRPERSON ABREU: Yeah, I guess folks who are  
13 getting training...

14 ASSISTANT COMMISSIONER ORTIZ: Yes.

15 CHAIRPERSON ABREU: ...in their training, are  
16 they getting exposure to student loan debt? I know  
17 that you mentioned that they are. I'd like to know  
18 if that's something... like to what extent have...  
19 has that been happening recently? And is there a  
20 goal to continue that into their training...  
21 implementing that into their training moving forward?

22 ASSISTANT COMMISSIONER ORTIZ: So I think we  
23 started implementing this into the training prior to  
24 the pandemic. So it's been a... for a significant  
25 amount of time now, and it certainly is our goal to

2 continue doing it going forward. For us, as I  
3 mentioned, in my testimony, we recognize that student  
4 loan debt has an impact on consumers, has an impact  
5 on New Yorkers overall. So it's... for us, it's  
6 significant that New Yorkers know they can come to  
7 our services and get help, and that our counselors  
8 are prepared to provide the help.

9 CHAIRPERSON ABREU: Thank you for that. Have  
10 these financial counselors received additional  
11 training to address possible changes to the federal  
12 student loan repayment plan? And federal student  
13 loan debt relief?

14 MS. CABUSORA: Yes. As I mentioned, they are...  
15 they have been doing monthly trainings. They've been  
16 scheduled in November, December, and January to keep  
17 up with the recent federal student loan changes.

18 CHAIRPERSON ABREU: And you said this happens  
19 monthly? Or...?

20 MS. CABUSORA: Monthly.

21 CHAIRPERSON ABREU: Thank you. I'm going to turn  
22 over some questions to my colleagues here -- I know  
23 Chi Ossé may have some questions -- and then bring it  
24 back to me. But take your time. You have five  
25 minutes.

2 COUNCILMEMBER OSSÉ: Oh, thank you. I just have  
3 a quick question. And this is in relation to how  
4 this initiative would work, especially within our  
5 schools.

6 A lot of our public schools teach geometry and  
7 calculus and a bunch of subjects that some people may  
8 deem important. Maybe they are but I think student  
9 loans and the information about student loans is also  
10 important. So as you know, most students are forced  
11 into taking out loans for schools without fully  
12 understanding the repercussions. What outreach will  
13 be done or is being done by our city to high school  
14 students about loans?

15 ASSISTANT COMMISSIONER ORTIZ: Thank you for the  
16 question, Councilmember, and I and I am certainly in  
17 agreement that student loan debt is something that  
18 increasingly has to be focused for New Yorkers.  
19 Essential... or let me better phrase it as  
20 recognizing that student loans are a reality at this  
21 current point in time and that we have to be prepared  
22 for it. From... from our perspective, our Financial  
23 Empowerment Centers are located at community-based  
24 organizations and they work one-on-one with clients  
25 that come to those locations or also do in-person

2 services. From our agency conducts an extreme amount  
3 of outreach... a lot of outreach on... on our  
4 Financial Empowerment Centers and over 700 events  
5 since 2019. We do marketing campaigns, you might see  
6 our subway squares up, or other high visibility  
7 street furniture, that we utilize. So we are we're  
8 actively working to make sure folks come to our  
9 Financial Empowerment Centers.

10 In terms of schools, however, I don't  
11 necessarily.. I believe that most of that kind of  
12 preparation training might happen through certain DOE  
13 programs...

14 COUNCILMEMBER OSSÉ: Yeah, right.

15 ASSISTANT COMMISSIONER ORTIZ: ...such as like  
16 FAFSA, for example, and helping folks fill those out.  
17 That said, I think we're always happy to work with  
18 our community-based organizations to make sure that  
19 we're bringing tips on... on how to best tackle  
20 certain issues like debt and improving savings and  
21 student loan debt, but also driving folks and their  
22 parents to come visit one of our students, one of our  
23 Financial Empowerment Centers.

24

25

2 COUNCILMEMBER OSSÉ: Thank you. A followup  
3 question about your... so they are Financial Literacy  
4 Centers?

5 ASSISTANT COMMISSIONER ORTIZ: Financial... Our  
6 program is Financial Empowerment Centers,

7 COUNCILMEMBER OSSÉ: Financial Empowerment  
8 Centers.

9 ASSISTANT COMMISSIONER ORTIZ: Yeah.

10 COUNCILMEMBER OSSÉ: Do you think I could get a  
11 list from you guys on the Financial Empowerment  
12 Centers that you collaborate with, some of the CBOs  
13 that you work with in my district.

14 ASSISTANT COMMISSIONER ORTIZ: Of course. I  
15 would love to provide that list. And we would  
16 certainly appreciate if you could share that with  
17 your constituents. I think for... for us, those  
18 Financial Empowerment Centers are valued resource.  
19 Since... Since 2008, we've helped reduce that in New  
20 York City by \$90 million. We've helped increase  
21 savings for New Yorkers by close... I think, by close  
22 to \$11 million or \$12 million. So for us, I think  
23 this is one of our most significant programs that we  
24 care deeply about we and want to make sure New  
25 Yorkers utilize.

2 COUNCILMEMBER OSSÉ: Thank you. And for the  
3 record: Geometry, and calculus is important. I use  
4 calculus every single day. Thank you.

5 CHAIRPERSON ABREU: Thank you, Chi. I wish I  
6 could say the same. Do my colleagues have questions  
7 at the moment? Alright. (BACKGROUND VOICES) Sorry.  
8 And sorry, I'd like to acknowledge that our  
9 Councilmember De La Rosa has also joined us.

10 I will get back to the Empowerment Centers  
11 briefly. I want to walk it back a bit to this... to  
12 another question I have. Under what circumstances  
13 would a financial counselor refer a student loan  
14 borrower to another agency? To which agencies are  
15 individuals typically referred?

16 ASSISTANT COMMISSIONER ORTIZ: Let me start by  
17 saying, I guess, that our financial empowerment  
18 counselors are there to work with the client  
19 throughout their... you know, their throughout the  
20 process of consolidating their loans, getting them to  
21 apply for, for example, public service loan  
22 forgiveness, or... or other ways to to deal with  
23 adjusting their payment plans.

24 Additionally, we do we do refer folks at times to  
25 other services such as free legal services that they

2 might need. That's a significant also outcome for  
3 New Yorkers. And I think the particular resource  
4 that my colleague is mentioning to me right now is  
5 NYLAG, for example, in that sense. I don't... I...  
6 Maybe if you could help drill down from me,  
7 Councilmember, on what specific agencies you thought  
8 you think might be helpful for getting referrals for.

9 CHAIRPERSON ABREU: No, my question is, to which  
10 agencies are folks... are coming to? To which  
11 agencies are financial counselors referring borrowers  
12 that are before you to other agencies?

13 ASSISTANT COMMISSIONER ORTIZ: I think... I think  
14 typically, again, it's... you know, typically,  
15 agencies might be referring clients to us, actually.  
16 I know...

17 CHAIRPERSON ABREU: Okay.

18 ASSISTANT COMMISSIONER ORTIZ: DHS... DHS, for  
19 example, might send us clients. I know, we have  
20 partnerships with SBS where we... we get clients. So  
21 it's the other way around, perhaps.

22 CHAIRPERSON ABREU: Alright. Thank you for that.  
23 Oh, by the way, I used to work in NYLAG for two  
24 years.

25 ASSISTANT COMMISSIONER ORTIZ: Oh, great.

2 CHAIRPERSON ABREU: So they're doing great work  
3 over there. So going back to, now, some outreach:  
4 Given the student loan debt crisis across New York  
5 City, what has the Mayor's Office of Financial  
6 Empowerment done to enhance the outreach to student  
7 loan borrowers? And specifically, you know, I... we  
8 are aware that DCWP student loan debt vulnerable  
9 borrower series found that New Yorkers from  
10 neighborhoods with lower incomes are more likely to  
11 have student loan debt in collections. As a result  
12 has reporting led to changes in outreach within those  
13 neighborhoods?

14 ASSISTANT COMMISSIONER ORTIZ: Thank you for the  
15 question, Councilmember. DCWP's Office of Financial  
16 Empowerment and our agency overall has, you know...  
17 have been engaged in multiple efforts over the years  
18 to... to empower New Yorkers with more information  
19 around student loan debt and get them directed to the  
20 right resources. I think one of the most... one of  
21 things we've done most recently is promote the Public  
22 Service Loan Forgiveness Waiver, and the Biden  
23 Administration's debt cancellation plans, but for the  
24 Public Service Loan Forgiveness waiver, we were able  
25 to create content and disseminate it through all...

2 to all the city's employees, to nonprofits, you know,  
3 identifying... identifying folks in your city that  
4 will be able to apply for this waiver and get their  
5 student loan debt forgiven, hopefully. We also more  
6 recently, were able to do a number of web seminars  
7 with... with city employees who could qualify for  
8 PSLF, and that... and emailed messages also to over  
9 300,000 employees in New York City. In the fields,  
10 we have used this data as well to help target our  
11 marketing campaigns and our... and our on-the-ground-  
12 boots, so to speak, of where we're doing  
13 presentations and outreach events for... for New  
14 Yorkers. So we use... we use the data that we've...  
15 we've collected, and we use that to target our  
16 outreach.

17 CHAIRPERSON ABREU: So it's fair to say that  
18 outreach has been performed in areas, as those  
19 mentioned by the Student Loan Debt Vulnerable  
20 Borrower Series?

21 ASSISTANT COMMISSIONER ORTIZ: Yes sir. That's  
22 correct. I mean, we use our resources strategically  
23 to ensure that we're getting the biggest bang for our  
24 buck, so to speak, and make sure that the people that  
25

2 need these resources and services are getting that  
3 information in their hands.

4 CHAIRPERSON ABREU: And is there a commitment by  
5 DCWP by continuing to enhance this outreach  
6 specifically in those areas?

7 ASSISTANT COMMISSIONER ORTIZ: I think outreach  
8 is always going to be a fundamental component of the  
9 work that we do at DCWP.

10 CHAIRPERSON ABREU: Thank you for that. How  
11 could... Look, you mentioned a lot, right? You're  
12 doing a lot. That being said, how could the MOFE  
13 expand their outreach to disproportionately impacted  
14 communities? What resources do you need to make this  
15 possible? In addition to what you have mentioned?

16 ASSISTANT COMMISSIONER ORTIZ: Thank you,  
17 Councilmember. I think... I think we're always  
18 willing to explore more partnerships around expanding  
19 outreach and education for our Financial Empowerment  
20 Centers. It's including working with Council  
21 Offices. And that goes for a lot of our services.  
22 For example, I would be remiss if I didn't mention  
23 that free tax prep... tax season is coming up. We  
24 offer free tax prep services, and we will always  
25 welcome working closely with the Council on that as

2 well. I think this partnership for that reason on  
3 legislation or outreaches, is significant. For...  
4 On the question about resources, you know, I think  
5 we're always happy to have a discussion about how we  
6 could expand capacity for our services and bring more  
7 New Yorkers into the fold of our financial  
8 empowerment services.

9 CHAIRPERSON ABREU: Thank you for that. My  
10 question is, how could MOFE be more proactive about  
11 providing services to those who are  
12 disproportionately impacted, but who may not seek out  
13 services necessarily?

14 ASSISTANT COMMISSIONER ORTIZ: Thank you,  
15 Councilmember. I just would make one point of  
16 clarification that the Office of Financial  
17 Empowerment is an office under the Department  
18 Consumer and Worker Protection. It's not a separate  
19 Mayor's office. But I think... I think it's always a  
20 challenge in terms of depth and breadth of outreach  
21 to reach certain communities that have... have a lack  
22 of access, for example, to digital capacity, right?  
23 Or have maybe seniors and might not have familiarity  
24 with city resources. I think that's something that  
25 we're always working to identify new partners in,

2 and.... and new mechanisms, right?, of how we can  
3 make sure that folks, folks feel that the resources  
4 are available, and that they're available for them,  
5 too. I know, one challenge we've had historically  
6 is, is sometimes when you say, "Oh, this is a free  
7 financial counseling." And people are like, "Free?  
8 What does that mean?" But... But for us, you know,  
9 it's paid for by the city... that's one point. But  
10 it's a really valuable resource, where we put a lot  
11 of... a lot of effort and work into making sure that  
12 these folks are certified financial counselors and  
13 provide really great services to New Yorkers. So I  
14 think all these are challenges that we have to  
15 overcome to make sure that New Yorkers come to these  
16 centers.

17 CHAIRPERSON ABREU: Well, thank you. And you  
18 mentioned seniors. How are you reaching seniors? As  
19 this is a challenge.

20 ASSISTANT COMMISSIONER ORTIZ: Yeah, well, we do  
21 a lot of... we do a lot of work at senior centers,  
22 for example. We partner with assist agencies like  
23 DFTA, of course. I think... I think this  
24 administration has been particularly adamant that  
25 agencies should not be operating in silos, and

2 breaking down those walls has facilitated us being  
3 able to communicate more with the constituencies we  
4 want to get in touch with.

5 CHAIRPERSON ABREU: Thank you for that. How does  
6 MOFE engage with students currently enrolled in  
7 higher education programs and other institutions?

8 ASSISTANT COMMISSIONER ORTIZ: I think  
9 similarly... I think... going back to the marketing  
10 campaigns that we do on, you know, that might be on  
11 subway lines that go through neighborhoods where we  
12 see institutions of higher education or where we see  
13 student loan debt might be prevalent.

14 I know the commissioner herself and folks on my  
15 team have done on events at higher education  
16 institutions to help folks know that this is a  
17 resource that's available to them. Because I think  
18 of course, like, I know, when I was a student, I  
19 didn't know the realities of student loan debt  
20 necessarily. And having somebody come to my  
21 institution, I feel like is important and be able to  
22 talk to somebody through that through those questions  
23 and... and getting directed to services is important.

24 CHAIRPERSON ABREU: Thank you. So you've...  
25 you've discussed where you've reached older adults,

2 and students, and institutions. What about folks who  
3 aren't housed? You know, that's sort of... What  
4 efforts are made to reach them?

5 ASSISTANT COMMISSIONER ORTIZ: Thank you,  
6 Councilmember. I think, um, you know, as I mentioned  
7 earlier, we do have a referral and communications  
8 with the Department of Homeless Services, to make  
9 sure that folks, especially if they're transitioning  
10 out, are able to, to get some financial empowerment  
11 resources and services. I think that's one of our...  
12 our main partner pathways.

13 CHAIRPERSON ABREU: Thank you. According to...  
14 (crosstalk)

15 ASSISTANT COMMISSIONER ORTIZ: Uh, Councilmember,  
16 I just want to add one more point as well. And I'm  
17 going to be remiss if I do not mention this. But  
18 we've also are looking into an expansion of our  
19 Financial Empowerment Center resources, under the  
20 mayor's economic blueprint, to provide financial  
21 empowerment services to runaway youth as well.

22 CHAIRPERSON ABREU: Thank you for that. Do all  
23 Financial Empowerment Centers offer their services  
24 virtually and in person? And what type... What do  
25 you find to be the more common way of access?

2 ASSISTANT COMMISSIONER ORTIZ: I think... Um, I  
3 think it really is a mix. I mean, we have 26 in-  
4 person sites. And then there's a mix of... of others  
5 that provide over-the-phone counseling.  
6 Traditionally in person is what people have utilized  
7 the most, albeit with, with the pandemic and certain  
8 restrictions there, phone service has taken on a  
9 larger role. I do think also that that telephonic  
10 service probably helps the folks that are working  
11 during the day, for example, and are unable to step  
12 out and have a quick chat with their financial  
13 counselor, although we do offer evening hours and  
14 weekend hours, too. So I think we've definitely  
15 considered, you know, definitely the time... the time  
16 dynamic as well for our clients.

17 CHAIRPERSON ABREU: Are these Empowerment  
18 Centers, would you say, equitably distributed through  
19 the city? Or is there like a... or are they more  
20 heavily weighed in one area versus another? I just  
21 want to make sure that access is... is important  
22 here.

23 ASSISTANT COMMISSIONER ORTIZ: Let me pass that  
24 question over to my colleague, Haidee.

2 MS. CABUSORA: Thank you for that question. Pre-  
3 COVID, we identified 16 areas in the city that had  
4 the highest financial distresses. So the shares of  
5 unbanked residents, shares of residents without  
6 liquid savings, those that were in debt collections,  
7 and access to revolving credit. So of those 16  
8 areas, our Financial Empowerment Centers covered 13  
9 of them. And some of the other centers are... For  
10 example, we have one in our DCWP'S Office at 42  
11 Broadway, which is the financial district and not one  
12 of the 16 areas, but really, they... they cover as  
13 much as they can have these at-risk neighborhoods.

14 ASSISTANT COMMISSIONER ORTIZ: And I would say  
15 that they are equitably distributed throughout all  
16 the boroughs. Every borough has at least two  
17 Financial Empowerment Centers, and... and you know,  
18 many have many more than that.

19 CHAIRPERSON ABREU: Thank you. According to the  
20 department's 2021 report, "Weighed Down", New Yorkers  
21 share how student debt is affecting their lives.  
22 According to that report, 28% of student loan  
23 borrowers did not know whether they participated in  
24 an income-driven repayment plan. How does the Office  
25 of Financial Empowerment aim to close the

2 knowledge... knowledge gap for student loan borrowers  
3 who may struggle to understand the loan repayment  
4 process?

5 MS. CABUSORA: Thank you for that question. You  
6 know, certainly coming out of the last few years with  
7 a payment pause, we do have an opportunity now to  
8 speak to borrowers who... who are in default. So we  
9 are concentrating our marketing efforts in re-  
10 engaging with those borrowers as they start the Fresh  
11 Start programs or the upcoming income-driven  
12 repayment plans.

13 CHAIRPERSON ABREU: Got it. Is this income...  
14 and the income driven repayment plan is also part  
15 of... is it also part of the training for financial  
16 counselors?

17 ASSISTANT COMMISSIONER ORTIZ: Yes,  
18 Councilmember. So when... when a client does come  
19 in, I think that's one of the things that we're...  
20 we're looking to work with the clients, if they have  
21 student loan debt, I should say. You know, how we  
22 can consolidate the loans, what programs might be  
23 available for them, including income-driven repayment  
24 plans to ensure that there's a lesser... ideally

2 to... to mitigate any burdens on their on their  
3 financial health.

4 CHAIRPERSON ABREU: Have they seen uptick from  
5 their marketing efforts?

6 ASSISTANT COMMISSIONER ORTIZ: I think... um,  
7 generally yes. I think we find our marketing efforts  
8 to be successful. And I think... You know, I  
9 mentioned that 10% number about September. That...  
10 that is an uptick over the previous months in terms  
11 of how many folks are coming in and wanting to speak  
12 to student loan debt issues.

13 CHAIRPERSON ABREU: Thank you. The federal  
14 student loan repayment pause is set to expire on  
15 December 31, 2022. That might change. But assuming  
16 it isn't, are there additional resources available  
17 for student loan borrowers who will be making  
18 payments for the first time? And will there be any  
19 changes to outreach in the coming months?

20 ASSISTANT COMMISSIONER ORTIZ: I think,  
21 Councilmember, I think we are... you know, we  
22 actively monitor the federal situation across a slew  
23 of programs, especially as it relates to student loan  
24 debt. For us, I think we are going to be monitoring  
25 very closely what happens in January and the

2 succeeding months. And I think similarly, we'll make  
3 sure to... making sure to drive New Yorkers to our  
4 Financial Empowerment Centers. And I mentioned for  
5 example, an expansion with respect to runaway youth.  
6 We also are committed to an expansion as well at  
7 Workforce Development Centers for financial  
8 empowerment services. So I think we are... we want  
9 to bring more of these resources out, particularly as  
10 you know, the point that you raised, well, it's...  
11 that there's a new reality coming out from the  
12 federal government that we have to adjust to as well.

13 CHAIRPERSON ABREU: Are the efforts concentrated  
14 given that it's less than two months away? Or, and I  
15 guess, how does that effort look like? That is the  
16 effort to reach these folks, especially with the  
17 impending, you know, expiration?

18 ASSISTANT COMMISSIONER ORTIZ: I think it's...  
19 it's... I think that... I think that in terms of our  
20 expansion, that that should be coming out, hopefully,  
21 in the near future. But in terms of like outreach  
22 work, that's... that's ongoing. We are committed to  
23 outreach, as I've mentioned earlier, as a fundamental  
24 component of how we serve New Yorkers, and making  
25 sure that they come out. And I think, for our... for

2 our... I know, for everyone here on this dais, that  
3 the federal situation is something that we're  
4 continuing to monitor to make sure that this agency  
5 adjusts correctly to any needs that come from New  
6 Yorkers.

7 CHAIRPERSON ABREU: Is the agency contemplating  
8 spending resources towards having ads being placed  
9 around so that folks know that that deadline is on  
10 its way?

11 ASSISTANT COMMISSIONER ORTIZ: Uh, I think that's  
12 something that, you know, we can certainly look into.  
13 We have already worked to... to disseminate a lot of  
14 information out, particularly around the Public  
15 Service Loan Forgiveness Program. But yeah, I think  
16 for us, it's always something that we're willing to  
17 consider of how to how to further create awareness  
18 about Financial Empowerment Centers and student loan  
19 debt. And that could touch on many ways, too. I  
20 think social media is increasingly a mechanism that  
21 we can use to reach more New Yorkers in a very  
22 relatively easy way.

23 CHAIRPERSON ABREU: That's great. Intro 366  
24 requires the commissioner to submit aggregated data  
25 related to visits and use of the city's Financial

2 Empowerment Centers. Is there any additional  
3 information that you believe would be useful for the  
4 report that is not listed in the bill?

5 ASSISTANT COMMISSIONER ORTIZ: Thank you,  
6 Councilmember. I think for us, as I mentioned in my  
7 testimony, we would always be, I think through the  
8 legislative process, we would be happy to work  
9 through suggestions with the Council on how we could  
10 tackle specific data points and outcomes that we  
11 serviced, that would be helpful for reporting  
12 requirement. I know, you know, as... as, as folks  
13 might testify to later, this public information is  
14 very vital for developing policy. And so I think we  
15 want to work with... with the Council to ensure that  
16 we are... we have good, good and strong data that  
17 we're reporting.

18 I do want to mention, though, as... that in terms  
19 of our Financial Empowerment Centers, like each...  
20 each site is very... has varying capacity, varying  
21 amount of services that they provide, based on  
22 contracts that, you know, we've worked on with the  
23 providers on them. So at times site-specific data  
24 might not always be painting a full picture. So we  
25 definitely want to make sure with counsel that we

2 find a ways to... to provide that context to anybody  
3 who's looking at that data.

4 For example, I wouldn't want somebody to see one  
5 site and say this is a very low volume and you know,  
6 the site is a very high volume, but we find that it  
7 reflects what clients are asking for as well.

8 CHAIRPERSON ABREU: I guess my question then is:  
9 Give me an example of a low volume site, which by the  
10 way, it would be important data for us to collect  
11 anyway. But what would... Well, give me a scheme  
12 example if you can have a site where it would be  
13 difficult to collect this information?

14 ASSISTANT COMMISSIONER ORTIZ: I wouldn't say  
15 it's difficult, Councilmember. I'd say just, you  
16 know certain sites have varying hours. And you know,  
17 for example, in a certain amount of hours you can  
18 only serve a certain amount of clients. That said,  
19 we are reviewing monthly of like where the client  
20 volume is, how we can adjust hours, how we can adjust  
21 staff, to ensure that the services meet the needs,  
22 you know. That I think is important for how we  
23 strategically use resources.

24 CHAIRPERSON ABREU: Thank you. Currently, what  
25 federal and state debt relief legislation do you

2 support? What reforms are you aiming to see in the  
3 future?

4 ASSISTANT COMMISSIONER ORTIZ: Um, I'm... I'm not  
5 sure there's any specifically that comes to mind. I  
6 think I would have to talk with our State Legislative  
7 Affairs or Federal Legislative Affairs colleagues to  
8 better understand what... what positions we have on  
9 those.

10 CHAIRPERSON ABREU: Do... Does the  
11 administration support canceling student debt?

12 ASSISTANT COMMISSIONER ORTIZ: I think in the...  
13 in the past, we have we have in our reports described  
14 a cancellation of student debt as a as a possible  
15 recourse for consumers. In terms of the... I think  
16 the mayor's office would also need to follow up with  
17 you on specific positions or those proposals.

18 CHAIRPERSON ABREU: Thank you for that. Are you  
19 aware of any data that characterizes the amount of  
20 debt incurred by student loan borrowers based on  
21 their professional industry?

22 ASSISTANT COMMISSIONER ORTIZ: No, Councilmember.  
23 We're not familiar.

24 CHAIRPERSON ABREU: And I have two more questions  
25 to go. Does MOFE engage in any outreach to warn New

2 Yorkers about potentially fraudulent educational  
3 programs?

4 ASSISTANT COMMISSIONER ORTIZ: I think what we...  
5 what our outreach on consumer protection focuses on  
6 is how to avoid certain scams or how to avoid paying  
7 for... how to be preventative in terms of paying for  
8 fees that are not necessary. So that is... you know,  
9 that's one of the... the core tenants of our work.

10 CHAIRPERSON ABREU: Yeah. And thank you for  
11 that. Scams and education are rising, however,  
12 right? And I think that for folks being able to see  
13 it for what it is with the... with the naked eye  
14 here... I think it'd be valuable, because there are a  
15 lot of folks that are getting scammed. And if  
16 there's a pattern of scamming within education, that  
17 could be helpful.

18 ASSISTANT COMMISSIONER ORTIZ: I agree.

19 CHAIRPERSON ABREU: It would be great to be  
20 adding that to your repertoire or whatever.

21 ASSISTANT COMMISSIONER ORTIZ: No, I agree,  
22 Councilmember. And for that reason, you know, we  
23 were particularly supportive of Councilmember Kagan's  
24 legislation to provide disclosures to consumers to...  
25 to ensure that they have this information at their

2 fingertips. And I think as you know, as we work, the  
3 legislative process, and if it becomes law, it's  
4 something that we would wrap into our components of  
5 education.

6 CHAIRPERSON ABREU: And the... that outreach  
7 regarding potentially fraudulent educational programs  
8 or just scams more broadly, is that being done  
9 through multilingual... through multiple languages?

10 ASSISTANT COMMISSIONER ORTIZ: Yes. I think  
11 for... for the for all the work that we do, whether  
12 that's financial empowerment, consumer reduction, or  
13 worker protection, language access is key. I think  
14 oftentimes, in certain piece of literature, we  
15 translate past the 10 languages. So I think language  
16 access is always going to be a part of our work.  
17 That is significant.

18 CHAIRPERSON ABREU: Thank you. (background  
19 voices) Have you collected data already on the  
20 volume visits for different sites... of the centers,  
21 right?

22 MS. CABUSORA: Excuse me. To clarify, is that  
23 the number of sessions conducted by site?

24 CHAIRPERSON ABREU: Yeah, so I think what I heard  
25 on the record -- and you could correct it if I

2 interpreted it wrong -- is that on a month-by-month  
3 basis, you determined the people the volume of people  
4 that visit these centers, and you may have low volume  
5 and high volume sites. So you have that that data.

6 ASSISTANT COMMISSIONER ORTIZ: I think... Yeah, I  
7 think that's... that would that would inform a  
8 review, but I would have to talk... talk with our  
9 team who run that program to see what specifically  
10 they have.

11 CHAIRPERSON ABREU: Thank you. Do you provide  
12 information to student borrowers about their recourse  
13 if they have been defrauded by an educational  
14 institution?

15 ASSISTANT COMMISSIONER ORTIZ: I think that in  
16 terms of defrauding, I think we really have to look  
17 at the fact patterns and the particulars of a case.  
18 I know, you know, if we see... Yeah, I would have  
19 to leave it at that. It's difficult to say for sure.

20 CHAIRPERSON ABREU: What organizations, if any,  
21 does MOFE partner with two assists New Yorkers who  
22 are burdened with student debt? I think you  
23 mentioned NYLAG is one.

24 MS. CABUSORA: Yes, NYLAG is a great partner. We  
25 have some partners here: Community Service Society,

2 EDCAP, Student Borrower Protection Center. And yes,  
3 many of our partners in the Financial Empowerment  
4 Centers are excellent. They're subject matter  
5 experts themselves at this point, and play a critical  
6 role in our student loan distress supports.

7 CHAIRPERSON ABREU: I would like to thank the  
8 administration for your testimony. We are moving to  
9 public testimony next.

10 COUNSEL: Thank you. We will give the  
11 administration a couple of minutes to wrap up and  
12 then move over to public testimony.

13 ASSISTANT COMMISSIONER ORTIZ: Thank you.

14 [ONE MINUTE SILENCE]

15 COUNSEL: Thank you we will now turn to public  
16 testimony. I'd like to remind everyone that unlike  
17 our typical counsel hearings, we will call virtual  
18 witnesses one-by-one to testify and they can begin  
19 once the sergeant's have called time. If you are  
20 here in person, once we call your name you can come  
21 up to the table and have a seat, and begin testimony  
22 once everyone has settled in. We will start with  
23 Noshin Hoque from Young Invincibles, who is joining  
24 us via Zoom. You can go ahead when the sergeants'  
25 call time.

2 SERGEANT AT ARMS: Time has begun.

3 MS. HOQUE: Thank you. Good afternoon everyone.

4 My name is Noshin Hoque, and I'm the New York Policy  
5 Coordinator at Young Invincibles. Young Invincibles  
6 mission is to amplify the voices of young adults ages  
7 18 to 34 in the political process and expand economic  
8 opportunity for our generation. I want to first  
9 thing to New York City Council, especially the  
10 Committee on State and Federal Legislation and Chair  
11 Shaun Abreu, and the Committee on Consumer and Worker  
12 Protection, and Chair Marjorie Velázquez for the  
13 opportunity to testify at today's hearing.

14 I am here today to share my story and insight on  
15 the need for student relief to ensure economic  
16 success for our current and future generations of  
17 young adults. The way of student debt has kept  
18 millions of my fellow near young adults from buying a  
19 car or home, finishing college, or even having a  
20 decent quality of life. I graduated from Stonybrook  
21 University of SUNY in 2020, and with my master's in  
22 social work from Columbia University in 2021, with a  
23 significant amount of student debt. I was a first-  
24 generation student and the first and only person in  
25 my family to still have a master's degree. Despite

2 my privilege to attend and even complete my  
3 education, it came with an intense challenge of  
4 taking on massive loans, \$30,000 to be exact, just to  
5 make ends meet with my tuition. The reality is I  
6 financed my education with debt. Now in my early 20s  
7 When I should be saving to build a better future.  
8 I'm putting all my money to save up towards paying  
9 off my loans, to avoid the risk of delinquency when  
10 student loan repayment resumes.

11 In a survey done in 2021 by the New York City  
12 Committee on Consumer and Worker Protection, a  
13 statistic that was mentioned earlier today as well,  
14 approximately one in eight New Yorkers with student  
15 loans were overdue on loan payments, and one in five  
16 had made a late payment at least once in the past 12  
17 months. My story isn't unique. Defaulting on  
18 student loans risks our credit score, which is  
19 critical to gaining any assets such as property, home  
20 ownership, or even getting a loan to lease or buy a  
21 car. The strain on our credit score is a catalyst  
22 for creating more barriers to building generational  
23 wealth, especially for folks like me who are POC and  
24 come from low-income backgrounds. Not to mention  
25 student loans have a much higher delinquency rate

1 than any other type of household debt. Student Debt  
2 Forgiveness provides relief and a path to financial  
3 freedom for many students and individuals from low  
4 income backgrounds. The good news is that there is  
5 an existing solution to carve the path to a debt-free  
6 education in New York. Thank you to the city Council  
7 for passing the new deal for CUNY, which protects the  
8 quality of education by aiming to restore tuition-  
9 free universities and increase the number of faculty  
10 and staff. Although the City Council has already  
11 passed this resolution, the work isn't over, and I  
12 highly encourage our Councilmembers to continue to  
13 advocate for the bill, especially with the State  
14 Committee on Higher Education. This has to be passed  
15 at the state level. Once passed, it will provide a  
16 template for all universities across the state,  
17 including SUNY, to demonstrate a tuition free  
18 approach to education that will empower and benefit  
19 students in New York. It offers immigrants,  
20 struggling young adults, and individuals from low-  
21 income backgrounds access to a rigorous college  
22 education that will improve the path to equity,  
23 social mobility, and in the end building generational  
24

2 wealth, ultimately leading to economic success for  
3 our young adults.

4 Thank you for allowing me to speak today and  
5 share my experiences on how student debt is a barrier  
6 to building generational wealth. Thank you.

7 CHAIRPERSON ABREU: Thank you for your testimony,  
8 Noshin Hoque. I would also like to recognize Amanda  
9 Farias, who has joined us virtually.

10 COUNSEL: Thank you. I will not now call Shanna  
11 Tallarico to testify via Zoom, and following Shanna,  
12 we will have Nancy Nierman, Winston Berkman-Breen,  
13 and Jane Fox.

14 Chair Velázquez, Chair Abreu, Councilmembers, and  
15 staff, good afternoon, and thank you for the  
16 opportunity to speak to the Committee on Consumer and  
17 Worker Protection and the Committee on State and  
18 Federal Legislation about student debt as a barrier  
19 to generational wealth. My name is Shanna Tallarico,  
20 I'm a senior supervising attorney with the Consumer  
21 Protection Unit at the New York Legal Assistance  
22 Group, or NYLAG, and I submit this testimony in  
23 support of Introduction 366 and 321.

24 Founded in 1990, NYLAG is a leading civil legal  
25 services organization that combats economic, racial,

1 and social injustice by advocating for New Yorkers  
2 experiencing poverty or in crisis. NYLAG's Consumer  
3 Protection Unit attorneys also work on and litigate  
4 issues related to consumer debt, including federal  
5 and private student loans. Our consumer protection  
6 unit also regularly handles, as we heard today, legal  
7 referrals from financial counselors who work with New  
8 Yorkers to the Financial Empowerment Centers, and we  
9 are an EDCAP partner.  
10

11 A college education is supposed to ensure, if not  
12 upward mobility and financial security, then at least  
13 the opportunity to pursue those ends. This is a  
14 reasonable expectation of the significant investment  
15 of time energy, and often sacrifice at higher  
16 education demands. Yet for many student loan  
17 borrowers, including many of NYLAG's clients, the  
18 necessity of debt is both the result of a lack of  
19 generational wealth and an obstacle to building  
20 future generational wealth. Higher education access  
21 in the US has historically been limited by race, sex  
22 and class. Understanding this history helps us see a  
23 path for today's student debt crisis, and its  
24 disparate impacts across race, gender, and class, and  
25 their intersections.

1           Student debt limits borrower's ability to access  
2 capital for major purchases, most notably buying a  
3 home, continuing education, and starting a business,  
4 activities with a high potential to increase a  
5 person's likelihood of financial security and wealth  
6 building. With the median student loan debt  
7 outpacing median income levels, it becomes  
8 increasingly difficult for borrowers to make these  
9 kinds of investments in their futures. Access to  
10 capital is blocked off or made much more difficult to  
11 one generation and that difficulty compounds leaving  
12 the next generation with greater obstacles.  
13 Certainly, we've seen these disparities play out in  
14 real time through a client's lived experiences.

16           Take for example, Melissa, who did everything  
17 right. She attended and graduated from college and  
18 now works as a teacher employed by New York City's  
19 Department of Education. She has a partner and two  
20 children. Melissa had to fund most of her education  
21 through federal and private student loans. For the  
22 private student loans, the lender required a cosigner  
23 and her mother Sherry stepped in to help. After  
24 graduation, the private student loan debt became  
25 unmanageable and Melissa fell into default. The

2 lender had insurance and was made whole on it on the  
3 loan, but then a putative debt buyer stepped in and  
4 sued Melissa in court. Melissa had very strong  
5 defenses to the debt buyers claim, because the debt  
6 buyer did not have proof they even owned the debt.  
7 The damages claimed by the debt buyer was also  
8 supported by dubious proof. Nevertheless, Melissa  
9 chose not to fight the case. She did not want to put  
10 her mother's only asset, her home, at risk. Melissa  
11 entered into a many years long payment plan, settling  
12 the debt buyers dubious claims and delaying her own  
13 family's plan to invest in other assets such as a  
14 home or her own children's college education. Many  
15 of our clients have attended for-profit schools.  
16 They are preyed on by the schools with promises of  
17 better career opportunities only be saddled with  
18 overwhelming debt upon graduation and no better job  
19 prospects. These schools often prey on students'  
20 need to finance their education and push students  
21 into federal loans for which the school depends on to  
22 keep its doors open to fund most of the tuition and  
23 then push students into predatory private loans that  
24 are designed to fail to fund the gap not covered by  
25 federal loans. NYLAG has assisted countless clients

2 who graduate from for-profit schools and then  
3 immediately fall into debt on both their federal and  
4 private student loans. This is due to many factors  
5 including the predatory nature of the loans, and the  
6 lack of clear and concise information about federal  
7 student loan repayment options. To boot, scam  
8 student loan companies often step in and capitalize  
9 on borrowers' distress inducing them to sign up for  
10 pay for services that are free and steer borrowers  
11 often to options that leave them in even worse  
12 financial situations.

13 From experience, we know that most of our student  
14 loan clients are first-generation college students  
15 and or women who identify as BIPOC. All of our  
16 clients are trying to build careers and obtain  
17 financial security for themselves and their families.  
18 It is imperative that New York enact the policies  
19 that support these goals. NYLAG applauds the aim of  
20 621, would you create a private right of action for  
21 an individual who was scammed by a predatory student  
22 loan relief company. It is important for consumers  
23 to be empowered to take action against companies that  
24 misrepresent their services to their detriment.

25 For 6366 nylon hopes that more transparency...

2 SERGEANT AT ARMS: Time has expired.

3 MS. TALLARICO: Okay. Thank you.

4 CHAIRPERSON ABREU: Thank you for your testimony.

5 COUNSEL: Thank you. And just a reminder that  
6 you can also submit written testimony at  
7 testimony@counsel.nyc.gov.

8 I will now call Nancy Nierman, Winston Bergman  
9 Breen, and Jane Fox to testify. You can come up to  
10 the table and go ahead whenever you're ready.

11 [45 SECONDS SILENCE]

12 You can get started whenever you're ready.

13 MS. NIERMAN: Thank you. Thank you for the  
14 opportunity to submit testimony to the Committee on  
15 Consumer and Worker Protection, student debt as a  
16 barrier to general wealth. My name is Nancy Nierman.  
17 I work at the Community Service Society of New York  
18 as Associate Director of the Education Debt Consumer  
19 Assistance Program, also known as EDCAP. My  
20 testimony will focus on the need to have access to  
21 student loan data (Intro 366) and ensure student debt  
22 relief companies provide borrowers with proper  
23 disclosures, and that borrowers have a private right  
24 to action against bad actors (Intro 621).

1           In terms of a little context, CSS is an informed  
2 independent nonprofit and unwavering voice for the  
3 positive action on behalf of low-income New Yorkers.  
4 CSS draws on a 175 year history of excellence in  
5 addressing the root causes of economic disparity  
6 through research, advocacy, litigation, and  
7 innovative program models.  
8

9           In 2019, CSS created the Education Debt Consumer  
10 Assistance Program to help New Yorkers struggling  
11 with higher education debt. Through its central  
12 helpline, one on one counseling services EDCAP helps  
13 individuals navigate the very complex student loan  
14 system to maximize repayment options.

15           In terms of intro 366, we believe there is a need  
16 for increase... increased student borrower data  
17 reporting. We support the creation of a biennial  
18 student loan distress report as required by this law.  
19 The borrower's... From firsthand experience we  
20 understand the need to have accurate and detailed  
21 information on borrowers who are being impacted by  
22 student debt. We know that communities are impacted  
23 differently, and identifying communities in distress  
24 is critical for programs like EDCAP to target  
25 outreach and offer direct consumer assistance.

1 Through our unheard third survey for example, we  
2 have found that in New York City, people of color,  
3 notably black and Latinx women are much more likely  
4 to show their student loan debt.  
5

6 At the federal level, it has been extremely  
7 challenging to obtain borrower data. In fact, the  
8 most we can obtain is general data regarding the  
9 federal government's student loan portfolios. Having  
10 access to a report that has zipcode data, for  
11 example, on a consistent basis would be helpful in  
12 identifying long term trends and issues emerging for  
13 New York City's borrowers, and would allow us to  
14 target our research more efficiently to those who  
15 need it most.

16 It is similarly imperative for the Department of  
17 Consumer and Worker Protection to help... to get the  
18 help and resources needed to effectively carry out  
19 this mandate. It will also be imperative for the  
20 City Council, DCWP, and New York City's higher  
21 education institutions to work together and ensure  
22 the required data points are in fact available and if  
23 not to build the infrastructure needed to capture and  
24 report on the outlying data points.  
25

2 In terms of intro 621, it's critical to protect  
3 student borrowers from student debt relief companies  
4 engaging in harmful practices, and it's vital for  
5 borrowers to have a private right of action. Student  
6 loan borrowers often struggle to properly manage and  
7 repay their debt. The levels of stress and distress  
8 often lead to them being targeted by unscrupulous  
9 student loan debt relief companies that not only take  
10 their money but leave them worse off than when they  
11 started. The federal government through its student  
12 loan servicers are ultimately responsible for  
13 assisting borrowers with any issues related to their  
14 debt, including access to repayment options, loan  
15 cancellation or discharge.

16 We support the requirement that student loan  
17 relief companies provide borrowers disclosure about  
18 the federal government services. We would further  
19 support additional requirements that make it clear  
20 that student debt relief companies in an attempt to  
21 lure customers cannot deceive borrowers by implying  
22 they are affiliated with the federal government. It  
23 is often the case that borrowers are made to believe  
24 these companies are working for the US Department of  
25 Education and are trying to implement a specific

2 federal relief program. Descriptions of these  
3 programs are often misleading and inaccurate.

4 In conclusion, as a program that is focused  
5 solely on the issue of student debt, we welcome the  
6 opportunity to share our input and support for  
7 proposed laws that you're hearing about today. We  
8 see firsthand the struggles that borrowers encounter  
9 when faced with debt burdens in an economy that has  
10 been battered first by the pandemic, and now by  
11 historically high inflation rates. Any measures that  
12 are put in place to provide additional data, and  
13 particularly to curtail the explosion of unscrupulous  
14 student debt relief organizations who charge  
15 exorbitant fees for simple tasks and do not... who do  
16 not fully understand the federal student loan system  
17 often placing borrowers in financially harmful  
18 situations which aren't always correctable is a win  
19 for consumers. Thank you again.

20 MR. BERKMAN-BREEN: All right, can you hear me?  
21 Okay. Thank you. Good afternoon, Chairs Velázquez  
22 and Abreu, and members of the Committee. My name is  
23 Winston Berkman-Breen, and I'm the Policy Counsel and  
24 Deputy Director for Advocacy at the Student Borrower  
25 Protection Center, a national nonprofit organization

2 focused on alleviating the burden of student debt at  
3 the federal, state and local level. Prior to joining  
4 the SBPC, I was the student loan ombudsperson for the  
5 State of New York, housed at the Department of  
6 Financial Services, at the state's Financial  
7 Regulator, where I was also the director of consumer  
8 advocacy. I was a staff attorney at NYLAG's Consumer  
9 Protection Unit prior to that, where I was a  
10 Financial Empowerment Center free legal service  
11 provider addressing student loan issues. It's been  
12 great to hear so much about NYLAG today.

13 For many years, SBPC has been a proud partner of  
14 the New York City Department of Consumer and Worker  
15 Protection and its Office of Financial Empowerment,  
16 training and supporting its financial counselors in  
17 their student loan work and advising on the agency's  
18 research and reporting on student debt. It is from  
19 these perspectives that I offer my testimony today.

20 I'll be brief and will submit written testimony  
21 with more details about the student debt crisis and  
22 New York, but first one to applaud the City Council  
23 is recognition that there is a role for local  
24 government in addressing the student debt crisis and  
25 for recognizing that this crisis is an important

1 economic and racial... racial justice issue. New  
2 York City is leading the nation in terms of showing  
3 how cities can respond and tackle the issue of  
4 student debt.  
5

6 I'll just make three brief points.

7 First, having place-based on data to show how  
8 this crisis plays out across our neighborhoods is  
9 critical to effecting change, as is pairing these  
10 data with local service provision and policy  
11 recommendations. We know that having student debt  
12 inhibits borrower's ability to build  
13 intergenerational wealth, that black and brown  
14 communities have to borrow more often and in larger  
15 amounts, and that their repayment outcomes are worse  
16 than for white households. The Federal Consumer  
17 Financial Protection Bureau reports that 90% of black  
18 students and 72% of Latino students who complete  
19 four-year programs borrow to attend college in  
20 comparison to 66% of white students. Analysis from  
21 the Jane Family Institute shows that three quarters  
22 of loans owned by borrowers living in black  
23 communities now exceed their original balance  
24 compared to only half of those in white  
25 neighborhoods. We know this but seeing this map

1  
2 against New York city neighborhoods is a powerful  
3 wake-up call and policy tool. The reports the DCWP  
4 has issued, and the way that it is used its research  
5 insights to inform its borrower education and  
6 outreach programs have been replicated by researchers  
7 and local governments across the country, and we've  
8 been honored to advise on these reports in the past.  
9 I am therefore encouraged to see Intro 366, and I  
10 urge the Council to work closely with the DCWP to  
11 finalize a reporting format that will best serve New  
12 York City residents, as the agency has deep expertise  
13 in student loans.

14       Second, there are great opportunities for local  
15 governments to engage in consumer protection, and  
16 again New York City leads the way. This year alone,  
17 the DCWP has finalized two actions against for profit  
18 schools that defrauded New York City students, and  
19 the agency has long regulated debt collection. I  
20 therefore applaud Intro 621 which would help ensure  
21 no New York City resident unknowingly pays for  
22 student loan assistance that they could receive for  
23 free. It's particularly powerful that the bill  
24 includes a private right of action, which allows for  
25

1 borrowers to enforce their own rights in court when  
2 they've been violated.

3  
4 I do want to note that the role of consumer  
5 protection is particularly important because borrower  
6 education and financial empowerment, while critical,  
7 can't overcome some of the predatory behaviors and  
8 discriminatory structures that borrowers currently  
9 having to navigate.

10 Finally, the Council can address the student debt  
11 crisis not just as a policymaking body, but as an  
12 employer and market participant. This year, we've  
13 been proud to partner with DCWP to educate New York  
14 City residents, especially city employees about the  
15 public service loan forgiveness program. Under this  
16 federal program that student loan borrowers working  
17 for governments and nonprofits can have their debts  
18 cancelled after 10 years of service. This outreach  
19 builds on work the Council did last year when it  
20 passed a local law requiring employers to inform  
21 their employees about their eligibility for student  
22 debt cancellation programs. There are several ways  
23 that the Council can use its formal and informal  
24 tools to help borrowers many of whom are city  
25 employees. With that, I thank you for your ongoing

1 attention to this matter. And for convening today's  
2 hearing. I urge the Council to continue to  
3 vigorously engage with the issue of student debt and  
4 to think creatively about all of the policy solutions  
5 that can bring to bear, and I'd be happy to answer  
6 any questions.  
7

8 First, I'd like to thank Committee Chair  
9 Velázquez and Committee Chair Abreu for holding this  
10 hearing today and giving me the opportunity to speak  
11 on this critical issue facing New Yorkers. My name  
12 is Jane Fox. I'm a staff attorney at the Legal Aid  
13 Society, and a member of the Association of Legal Aid  
14 Attorneys, UAW Local 2325. And today I'm speaking on  
15 behalf of ALAA, not on behalf of the Legal Aid  
16 Society. I'm also currently a fellow at the Student  
17 Borrower Protection Center. ALAA is a union of over  
18 2700 attorneys, social workers, paralegals, parent  
19 advocates, and other legal workers that fight  
20 tirelessly for the civil rights and dignity of low  
21 income New Yorkers.

22 As other people have noted, student loans are now  
23 the largest form of consumer credit in the nation  
24 outside of the mortgage market, with Americans owing  
25 more in student loan debt than they do on auto loans,

1 credit cards, or home equity lines of credit, and the  
2 average student loan bill is nearly \$400 a month per  
3 borrower. Student Debt impacts all of our union  
4 members whether they are currently paying their  
5 loans, or have forgone accumulating savings in order  
6 to finish paying their loans. Approximately two  
7 thirds of our members have student loans, a  
8 significant number owe over \$50,000 and a large  
9 segment owe over \$200,000. Many of our members are  
10 first gen or the first generation in their families  
11 to hold undergraduate or graduate degrees and many  
12 were Pell Grant recipients. For these members taking  
13 on student debt was necessary to gain the educational  
14 credentials required to do this work. At the same  
15 time student debt is a barrier that keeps our members  
16 from obtaining the wealth they have earned for the  
17 next generation.

18  
19 We are at a crucial moment. While the Cares Act  
20 student loan pause benefited many of our members, a  
21 share of our members hold loans that were ineligible  
22 for the pause, therefore requiring them to continue  
23 making payments during the national crisis of the  
24 COVID-19 pandemic. And likewise, many of our members  
25 are eligible for student debt relief... for the

1 Student Debt Relief Program proposed by the Biden  
2 Administration in August 2022. However, due to  
3 current litigation freezing the program, no borrowers  
4 have actually realized any debt cancellation under  
5 this program to date. As we head into 2023 and the  
6 proposed end of the pause, most of our members will  
7 once again have the burden of monthly loan payments  
8 while facing historic levels of inflation and cost of  
9 living increases alongside stagnant wages and is not  
10 lost on us that the Legal Aid Society where many of  
11 our members work is experiencing a fiscal crisis,  
12 where there are concerns about being able to afford  
13 our increased organizational needs.

14  
15 The fiscal pressures are felt within our  
16 organization from the top down. Simultaneously we  
17 are experiencing record levels of attrition  
18 particularly among our mid-career members. Almost  
19 half of all ALAA members leave the work they love  
20 before 10 years for better paying jobs in firms,  
21 other nonprofits, or government, and attrition is  
22 highest and amongst attorneys of color, who often  
23 have more student debt, and less support to pay off  
24 their loans. When talented legal service workers  
25 leave their jobs because their student debt makes

2 working in legal services unaffordable, the low  
3 income New Yorkers we serve are deprived of talented  
4 and experienced representation. One of the most  
5 important paths for our members to relieve this  
6 financial pressure and build intergenerational wealth  
7 is to pursue debt cancellation through Public Service  
8 Loan Forgiveness, PSLF. And while PSLF offers a  
9 chance for public sector workers to fully discharge  
10 their loans after 10 years or more, it doesn't  
11 relieve the financial stressor of monthly student  
12 loan payments while working in low-salary public  
13 sector... while working in a low-salary, public  
14 sector position in an expensive city.

15 As a result, our members have a great need for  
16 loan assistance programs that provide financial  
17 assistance to reduce their monthly student loan bills  
18 while they work towards PSLF. One such fund is the  
19 District Attorney and Indigent Legal Services  
20 Attorney Loan Forgiveness Program, otherwise known as  
21 DOLF, administered by the State Higher Education  
22 Services Corporation, which provides critical funding  
23 that allows our union members to stay in their jobs  
24 and make a career of public service. The DOLF  
25 Program is aimed at mid-career attorneys carrying

2 student loan debt and provides annual awards to  
3 offset monthly student loan payments. And it  
4 provides assistance to attorneys who have shown a  
5 four-year commitment to working in public service  
6 when they first apply, and it is often the sole  
7 support members have to pay their loans when they  
8 reach the middle of their careers and are  
9 simultaneously growing their families or caring for  
10 elders. There has not been an adjustment to either  
11 the annual award or the years of eligibility since  
12 the program began in 2009. Simply put, the DOLF  
13 program has not kept pace with the rising cost of  
14 student loans or the rising cost of living in New  
15 York State.

16 [BELL RINGS]

17 Thank you. I am going to be submitting written  
18 testimony which...

19 CHAIRPERSON ABREU: You can finish.

20 MS. FOX: Okay. Thank you. I appreciate that.

21 This legislative session a bill has been  
22 introduced in Albany to increase the annual award and  
23 years of eligibility for the DOLF program under  
24 Senate Bill S 1176. And Assembly Bill A 5720,  
25 Sponsored by Jessica Ramos in the Senate and Joanne

1 Simon in the Assembly. An increase in DOLF funding  
2 would help reduce staff attrition amongst our members  
3 immeasurably, and with more DOLF funding, our members  
4 would have increased financial security in uncertain  
5 economic times.  
6

7       Decreasing the financial worries of our members  
8 can only benefit the communities they serve. When  
9 our members thrive, their work on behalf of low-  
10 income New Yorkers thrives. Furthermore, DOLF  
11 funding would help us recruit step talented staff for  
12 our member organizations to replace those who have  
13 left due to attrition.

14       We ask that the city Council pass a resolution  
15 asking the state legislature to pass, and the  
16 governor to sign this bill... to sign this bill into  
17 law to ensure that our members can access these funds  
18 to ease the burden of their student loans and remain  
19 in vital public sector jobs that provide New Yorkers  
20 with critical legal services.

21       On a personal note, I just want to add that as a  
22 recipient of the DOLF fund while I was working  
23 towards PSLF, this money helped me immeasurably to  
24 support my family, and to stay in public service  
25 until I achieve Public Service Loan Forgiveness for

2 myself in 2020. So I thank you to the Committee.

3 And I will take any questions if there are any.

4 CHAIRPERSON ABREU: Thank you. Since I know  
5 you're with 2325 -- I was a local there as well -- do  
6 you think that pay parity would help also alleviate a  
7 student loan?

8 MS. FOX: Absolutely. Pay parity would be the  
9 most important thing that the City Council could do  
10 to support our members with their student loan debt.  
11 An increase in salary obviously would support all of  
12 our members and paying their student loans, and the  
13 DOLF fund would be in addition to that.

14 CHAIRPERSON ABREU: I appreciate all of you for  
15 your expertise. Doing this each and every day.  
16 Thank you for your insightful testimonies, which were  
17 also very powerful. And I hereby adjourn today's  
18 hearing. I'm gaveling out.

19

20

21

22

23

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date 11/25/2022