

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AFFAIRS AND  
BUSINESS LICENSING

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December 8, 2021  
Start: 1:44 p.m.  
Recess: 1:53 p.m.

HELD AT: REMOTE HEARING (VIRTUAL ROOM 1)

B E F O R E: Diana Ayala  
CHAIRPERSON

COUNCIL MEMBERS:  
Margaret Chin  
Peter Koo  
Ben Kallos  
Kalman Yeger  
Carlos Menchaca  
Justin Brannan  
Helen Rosenthal

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

2 SERGEANT-AT-ARMS: Recording to the PC is  
3 up.

4 SERGEANT-AT-ARMS: Thank you.

5 SERGEANT-AT-ARMS: Recording to the cloud  
6 all set.

7 SERGEANT-AT-ARMS: Thank you. And,  
8 Sergeant Bradley, with your opening statement.

9 SERGEANT-AT-ARMS: All right. Thank you.  
10 Good afternoon and welcome to today's New York City  
11 Council hearing on Consumer Affairs and Business  
12 Licensing. At this time, will all panelists please  
13 turn on their videos for verification purposes. To  
14 minimize disruption, can you please place electronic  
15 devices on vibrate or silent mode? Thank you. Chair  
16 Ayala, you may begin.

17 CHAIRPERSON AYALA: Thank you. Good  
18 afternoon, everyone. My name is Diana Ayala and I am  
19 the Chair of the Committee on Consumer Affairs And  
20 Business Licensing. Today, we will be voting on  
21 Introduction number 2130 by Council member Rosenthal  
22 in relation to providing notice regarding student  
23 loan forgiveness programs to certain employees and  
24 applicants for employment. Student loan debt in this  
25 country is out of control. Earlier this year, it

1  
2 totaled over 1.7 trillion and it is the second  
3 highest type of consumer debt after housing. Student  
4 debt has continued to increase annually, after even  
5 the president put loan repayment on hold due to COVID  
6 19. There are about 43 million student loan debtors  
7 across the country which is about 13% of the adult  
8 population. In 2019, the average student loan debt  
9 for a bachelors degree was 29,000, while graduate  
10 students had an average debt of 71,000. Graduating  
11 from school and being saddled with this amount of  
12 debt impedes the ability of our graduates to achieve  
13 financial stability. In New York City, student debt  
14 also does not affect all graduates equally. Joint  
15 research from the Department of Consumer And Worker  
16 Protection and the Federal Reserve of New York City  
17 found that borrowers in low income communities  
18 experience the highest loan distress. According to  
19 their report, borrowers in my borough, the Bronx, and  
20 also in Brooklyn experienced the highest rates of  
21 loan default. Some student loan borrowers will  
22 pursue loan forgiveness programs to offset their huge  
23 financial burden, but these programs can be  
24 complicated. For example, data has shown that for  
25 the public service loan forgiveness program, where

1 federal student loans can be forgiven after 120  
2 payments, which is usually around 10 years of public  
3 service, 98% of the application's had their  
4 forgiveness applications denied. Intro 2130 would  
5 help alleviate some of this confusion by requiring  
6 DCWP to develop a notice for employees and job  
7 applicants regarding the availability of federal and  
8 student loan forgiveness programs. City agencies  
9 would be required to provide this notice to their  
10 employees and job applicants and it would also be  
11 available for private sector employees to use if they  
12 wish to. As Chair of this Committee, it has been my  
13 duty to protect the consumers of this city.

14 Insurmountable student debt has impeded New Yorkers  
15 from ever achieving financial stability and is a  
16 consumer protection issue. I am proud that we are  
17 taking this action today to ensure that New Yorkers  
18 are educated and aware of available programs to help  
19 alleviate this burden. I urge my colleagues to vote  
20 aye on this important bill which will enhance the  
21 financial stability and wellness of the residents in  
22 this city. I would like to turn it over to Council  
23 member Rosenthal to make a statement on her bill.  
24

2 COUNCIL MEMBER ROSENTHAL: Thank you so  
3 much, Chair Ayala. I appreciate your introduction,  
4 your support of this bill, holding the hearing, and  
5 passing this legislation. My pronouns are she and  
6 her. You know, a few years ago, a staff member in my  
7 office who owed over \$40,000 in student loans figured  
8 out that she qualified for public service loan  
9 forgiveness, although she had never been made aware  
10 of this fact by her employer, the city of New York.  
11 This staffer worked in government for some time  
12 before she began the application process to enter the  
13 federal loan forgiveness program. I am grateful she  
14 did and that she has remained in public service. We  
15 all know that student loan debt is, essentially,  
16 crushing millions of Americans. The debt that so  
17 many Americans-- New Yorkers included-- are  
18 carrying fundamentally prohibits them from building  
19 long-term careers in public service because their  
20 salaries simply cannot sustain the loan payments. In  
21 order to recruit and keep our best and brightest, the  
22 least we can do is make them aware of the financial  
23 reality available to them. My legislation we are  
24 voting on today, Intro 2130, will ensure that all  
25 city employees are automatically informed if they are

2 eligible for public service loan forgiveness--  
3 either federal or state program. We are also  
4 requiring the Office of Labor Policy, and Standards  
5 to conduct an outreach and education campaign within  
6 the New York City's massive nonprofit sector which  
7 employs over 600,000 New Yorkers. The timing of this  
8 bill is critical. To date, successfully obtaining  
9 public service loan forgiveness has not been a  
10 straightforward process and the opportunity to obtain  
11 forgiveness has not been widely publicized. The  
12 Biden administration is taking steps now to make the  
13 federal public service loan forgiveness program more  
14 accessible so that a much larger number of public  
15 sector and nonprofit workers can qualify for debt  
16 relief. The changes underway could assist roughly  
17 550,000 borrowers in New York City. My bill is a  
18 simple step forward to close in information, ensuring  
19 that nearly a million employees know that they may be  
20 able to eventually cancel their student debt and it  
21 will encourage more of them to pursue this option. I  
22 want to also send a clear message that supports the  
23 growing movement across our country should cancel a  
24 large portion of student debt entirely. As a first  
25 step, I am delighted that we are passing common sense

1  
2 legislation to help city and nonprofit workers remain  
3 in public service and have a brighter financial  
4 future. I really want to thank Jackie Buzalis [sp?]  
5 for drafting this bill. I would also like to thank  
6 the committee staff for their hard work. Of course,  
7 Speaker Johnson and Jason Goldman, along with my  
8 Chief of Staff, Cindy Cardinal, my outgoing  
9 legislative director Madri Shuklah [sp?], and my  
10 communications director Sara Crean [sp?]. Thank you,  
11 again, Chair Ayala, for all of your support.

12 CHAIRPERSON AYALA: Thank you, Council  
13 member. I will now turn it over to the clerk for a  
14 vote.

15 COMMITTEE CLERK: Good afternoon. Matthew  
16 DiStefano, committee clerk. Committee on Consumer  
17 Affairs and Business Licensing. Roll call vote on  
18 proposed Intro 2130-A. Chair Ayala?

19 CHAIRPERSON AYALA: I vote aye.

20 COMMITTEE CLERK: Chin?

21 COUNCIL MEMBER CHIN: I vote aye.

22 COMMITTEE CLERK: Kallos?

23 COUNCIL MEMBER KALLOS: I vote aye.

24 COMMITTEE CLERK: Koo?

25 COUNCIL MEMBER KOO: I vote aye. Aye.



1 COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS LICENSING

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2 COMMITTEE CLERK: Thank you. Menchaca?

3 COUNCIL MEMBER MENCHACA: I vote aye.

4 COMMITTEE CLERK: Brannan?

5 COUNCIL MEMBER BRANNAN: Aye.

6 COMMITTEE CLERK: Yeger?

7 COUNCIL MEMBER YEGER: Aye.

8 COMMITTEE CLERK: And by a vote of seven  
9 in the affirmative, zero in the negative, and no  
10 abstentions, the item has been adopted.

11 CHAIRPERSON AYALA: Thank you, guys.  
12 Congratulations, Helen.

13 SERGEANT-AT-ARMS: Chair, I believe we can  
14 now close.

15 CHAIRPERSON AYALA: This hearing is now  
16 closed. Sorry.

17 SERGEANT-AT-ARMS: Thank you.

18 [background comments]

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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 January 26, 2022