



Vilda Vera Mayuga
Commissioner

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nyc.gov/dcwp

United States Department of Education
Via Electronic Submission

Re: Notice of Proposed Rulemaking/Student Debt Relief – Docket ID ED-2023-OPE-0123

September 11, 2023

The City of New York appreciates the opportunity to respond to the U.S. Department of Education’s (“ED”) request for comment regarding the Student Loan Debt Relief Application which would provide student loan debt relief for borrowers in specific circumstances, under authority provided by the Higher Education Act of 1965 (HEA).

The New York City Department of Consumer and Worker Protection’s (“DCWP”) mission is to protect and enhance the daily economic lives of New Yorkers to create thriving communities. Through its community outreach, DCWP empowers New Yorkers by providing them with the tools and resources they need to be educated consumers and to achieve financial health. DCWP also researches and advocates for policy that furthers its work to support New Yorkers.

Over the last decade, DCWP has made student loans a major focus of the agency by:

- a) Providing free one-on-one financial counseling to New York City residents through DCWP Financial Empowerment Centers;
- b) Producing research on student loans, including seven student loan-focused reports since 2017;
- c) Conducting advocacy work, including supporting student loan cancellation efforts;
- d) Taking enforcement action, including a \$20 million settlement with Berkeley College; and
- e) Disseminating student loan materials to New Yorkers, including major public awareness campaigns such as the 2019 Be Real About Student Loans campaign, maximizing New York City resident uptake during the Public Service Loan Forgiveness (PSLF) waiver period and a current campaign focused on ensuring municipal employees are enrolled in Income Driven Repayment (IDR) plans and PSLF.

DCWP applauds this package of proposed rules, which will provide necessary relief for New York City borrowers struggling with student loan debt. DCWP urges you to ensure that final rules are completed swiftly, and that debt relief is enacted as broadly and efficiently as possible, including an expeditious release of proposed rules providing relief for borrowers experiencing hardship.



Since 2017, DCWP has made confronting the student loan debt crisis a priority. According to DCWP research, in 2021, 1 in 6 New Yorkers had student loan debt and more than half of student loan holders in New York City owed more than \$20,000.¹ About half of student loan holders have indicated that student loan debt had delayed or prevented them from making at least one major life choice like saving for retirement or purchasing a home.²

ED has taken the correct approach in designing student debt relief to be accessible and efficient. The proposed rules direct relief to borrowers in specific circumstances: borrowers crushed by runaway interest that has ballooned their balances; borrowers trapped in debt for two decades or more; borrowers who attended low-value schools or programs; and borrowers who have missed out on relief they are eligible for due to administrative red tape.

This relief is fair, equitable, and urgently needed. DCWP research shows that in New York City, a disproportionate percentage of Black residents have student loan debt, and Black and Latino/a residents are more likely to struggle repaying their student loan debt. DCWP research also indicates that New York City veterans are nearly twice as likely to attend a for-profit school than other comparable students—increasing their vulnerability to student loan default.³ DCWP believes that ED’s proposed rules to reduce the burden of ballooning interest payments will significantly aid Black and Brown communities as well as New York City veterans.⁴

Cities like New York serve on the frontlines of the student loan debt crisis and see firsthand the devastating burdens it imposes on our communities. Cancelling student debt will help to lift up families in our communities and protect borrowers and their families from being trapped in a lifetime of debt. It is also critical that the Administration moves quickly to release proposed rules that will provide debt relief for borrowers experiencing financial hardship. DCWP understands that ED intends to release rules on addressing hardship in the coming months.

DCWP applauds the Administration for working to ensure that these borrowers can break free from student debt and encourages the Administration to move swiftly in finalizing and implementing these rules and the forthcoming hardship relief rules.

Respectfully,

A handwritten signature in black ink, appearing to read "Vilda Vera Mayuga". The signature is fluid and cursive.

Vilda Vera Mayuga

Commissioner, New York City Department of Consumer and Worker Protection

¹ Weighed Down: New Yorkers Share How Student Loan Debt is Affecting Their Lives. Accessed May 2, 2024. <https://www1.nyc.gov/assets/dca/downloads/pdf/partners/StudentLoanDebtSurvey-Report-2021.pdf>

² Ibid

³ Ill-Served: Why NYC Veterans Should Use Extra Caution When Choosing a For-Profit School. Accessed May 2, 2024. <https://www.nyc.gov/assets/dca/downloads/pdf/partners/Research-SLDVeteranBorrowerReport.pdf>

⁴ Student Loan Debt Distress Across NYC Neighborhoods. Accessed May 2, 2024.

<https://www.nyc.gov/assets/dca/downloads/pdf/partners/Research-StudentLoanDebtDistressAcrossNYCNeighborhoods.pdf>