

# **NYS Attorney General Settlement**

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On Monday, April 2<sup>nd</sup>, New York's Attorney General announced he had signed settlements with major universities in New York and Pennsylvania. The agreement concerned student-loan arrangements between the colleges and lenders. The settlement required colleges to reimburse students and/or parents who took out loans with Citibank's Student Loan Corporation and to adopt a new "College Code of Conduct."

Under the settlements, schools will make the following aggregate reimbursements to students and/or parents:

- New York University - \$1,394,564 – educational loans issued over a five year period.
- St. John's University - \$80,553 – educational loans issued over a one year period.
- Syracuse University - \$164,085 – educational loans issued over a two year period.
- Fordham University - \$13,840 – educational loans issued over a one year period.
- University of Pennsylvania - \$1,617,580 – educational loans issued over a two year period.
- Long Island University - \$2,435 – educational loans issued over a one year period.

In addition to these reimbursements, Citibank agreed to commit \$2 million to a newly created national fund to educate college-bound students and their parents about the student loan industry. This fund will be administered by the New York Office of the Attorney General.

On Tuesday the National Association of Student Financial Aid Administrators (NASFAA) released a statement saying they "understand the motivations of those schools that have decided to accede to the Attorney General's settlement and we respect their decisions."

NASFAA goes on to say they will stand by any post secondary institution that decides to go to court. NASFAA says that abuses and genuine conflicts of interest relating to preferred lender lists should end. They believe that the Attorney General's investigation "will find only a few problems."