



**Powering a  
more equitable  
New York**

Testimony by  
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### **Introduction**

Thank you for the opportunity to provide testimony for the Legislative Joint Budget Hearing on Higher Education. I am Carolina Rodriguez, Director of the **Education Debt Consumer Assistance Program (EDCAP)** at the Community Service Society of New York (**CSS**). CSS has a 180-year legacy of advocating for low-income New Yorkers through research, advocacy, and innovative programs that address economic disparity.

Since its inception in 2019, EDCAP has been instrumental in assisting New Yorkers struggling with higher education debt. Through its statewide central helpline, network of eleven community-based organizations, and personalized counseling services, EDCAP has saved consumers over \$37 million, offering invaluable support in navigating repayment options, accessing forgiveness programs, and resolving issues with loan servicers.

In Fall 2024, EDCAP expanded its services to include comprehensive financial aid application assistance, including FAFSA, TAP, and the Dream Act, as well as pre-college counseling. This expansion aligns with New York's universal FAFSA commitment, equipping students and families with the knowledge needed to make informed financial decisions and minimize borrowing. Through in-person clinics and individualized counseling sessions, EDCAP is at the forefront of student debt assistance, ensuring that New Yorkers have access to expert guidance that helps them secure financial stability.

### **The Future of U.S. DOE and Student Loan Borrowers**

At a time of growing uncertainty in the federal student loan landscape, New York must take proactive steps to protect its 2.4 million student loan borrowers, current and future college students from potential harm. The White House has signaled its intent to significantly alter the administration of federal student aid, including threats to shut down the U.S. Department of Education (U.S. DOE), reduce its workforce, and even grant private entities access to borrower data. These drastic measures could lead to serious disruptions in the management of student loans, financial aid, weaken critical borrower protections, and create security risks.

The dismantling of the U.S. DOE would strip away essential oversight of loan servicers, allowing companies to operate with even less accountability. During the Trump administration's first term, a [report](#) from the Inspector General found that loan servicers were rarely held accountable for violations, leading to borrowers losing money due to errors and mismanagement. Additionally, recent actions to dismantle the Consumer Financial Protection Bureau (CFPB) would further erode safeguards against predatory and deceptive financial practices, leaving student loan borrowers with even fewer avenues for recourse.

The potential instability in federal oversight also puts key financial aid programs—such as Pell Grants, work-study, and subsidized loans—at risk. These programs provide vital support for low-income students striving for upward mobility, and any reduction in funding or administrative capacity could have lasting consequences.

### **EDCAP's Impact**

The need for EDCAP's services is evident in the financial realities of its clients. Approximately 88% of EDCAP clients carry federal student loan debt, while 9% hold private student loans, and 3% face institutional or other education-related debt. With an average student loan balance of \$80,000, nearly double the national average—EDCAP plays a critical role in supporting borrowers struggling under the weight of substantial financial obligations.

The program's impact is particularly significant among populations facing systemic financial challenges. Women comprise 71% of EDCAP's clientele, reflecting national trends in student debt burdens, with Black women disproportionately affected. Additionally, student debt extends across all age groups, and EDCAP serves a diverse range of borrowers: 45% are under age 39; 21% are between 40-49; and 34% are over 50.

From a racial and ethnic perspective, close to 60% of EDCAP clients are people of color, emphasizing the critical need for targeted and equitable debt relief support. Furthermore, 53% of clients have household incomes at or below \$60,000, underscoring the program's essential role in helping low- and moderate-income borrowers navigate repayment options, access relief programs, and regain financial stability.

EDCAP's comprehensive approach—spanning debt resolution, financial aid navigation, and pre-college planning—ensures that New Yorkers are not only managing their existing debt but also making informed choices to prevent excessive borrowing in the future.

### **Identifying Systemic Issues and Addressing Challenges**

One of EDCAP's key strengths lies in its ability to identify and address systemic issues that impact student loan borrowers. Through its direct interactions with borrowers and in-depth case handling, EDCAP has developed a comprehensive understanding of the challenges faced by borrowers navigating the complex world of student debt. This insight allows the program to not only provide individual support but also identify trends and patterns that highlight broader systemic problems, including predatory loan servicing practices, inaccuracies in borrower records, and barriers to accessing repayment and relief programs.

In the current environment, EDCAP recognizes the importance of collaboration with key state entities. As the program is overseen by the New York State Department of Financial Services

(DFS), which has state student loan servicer oversight authority, it will continue to work closely with DFS to monitor emerging issues and ensure that student loan borrowers have access to critical protections and resources. This partnership enables EDCAP to identify and communicate regulatory gaps and ensure that borrowers receive the support they need. EDCAP is also well-positioned to identify trends and issues in the financial aid landscape and report them to relevant state agencies and stakeholders, as it continues to expand its financial aid and pre-college counseling services.

### **EDCAP Funding is More Important Than Ever**

By supporting EDCAP, New York has shown its commitment to provide resources for student loan borrowers, ensuring they have access to the help they need to manage their debt and protect their financial futures. With federal policies in flux, sustaining and expanding EDCAP is critical to ensuring borrowers are not left to navigate an increasingly complex system on their own.

The threat of a diminished Department of Education and the potential for mismanagement in federal student loan programs underscores the urgent need for stable, state-based assistance programs. Without dedicated support, millions of borrowers could face misinformation, lost records, and confusion about their repayment options—all while struggling with unaffordable monthly payments.

### **Conclusion**

Addressing higher education debt is paramount to New Yorkers' financial well-being. We urge the legislature to support the **\$3.5 million funding request for EDCAP** in the upcoming fiscal year to ensure its continued impact. At a time when federal protections are at risk, New York has an opportunity to lead in safeguarding its student loan borrowers and ensuring they have access to the guidance and resources they need.

Thank you for the opportunity to submit written testimony.