



STATE OF NEW YORK | EXECUTIVE CHAMBER
DAVID A. PATERSON | GOVERNOR

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GOVERNOR PATERSON ANNOUNCES LAUNCH OF HESC STUDENT LOAN MARKETPLACE

Transparent, Online Private Student Loan Comparison Service Transforms How Students Shop for Loans

Governor David A. Paterson today announced the launch of the New York State Higher Education Services Corporation's (HESC) Student Loan Marketplace, a dynamic, interactive Web site that provides the first transparent, online information and comparison service for private student loans. The new State-sponsored student loan, the New York Higher Education Loan Program (NYHELPS), will also be available in HESC Marketplace for the Spring 2010 semester.

"HESC Marketplace ensures that New York's private student loan borrowers will have easy access to the unbiased facts and information they need to evaluate and decide on the college financing options that best suit their individual situations," said Governor Paterson. "This valuable resource will bring transparency and clarity to the often confusing process of choosing the right student loan."

HESC Student Loan Marketplace, at www.HESCMarketplace.org, is a Web-based resource that enables students seeking a private education loan to compare the terms of loan products from multiple lenders, based upon the borrower's credit profile, with only one credit check. Administered by HESC, the State's student financial aid agency, this service educates students and their parents about good borrowing practices and helps students make decisions based on accurate information, not "as-low-as" advertised offers.

President of HESC James C. Ross said: "In today's economic environment, many students are struggling to find trustworthy sources of private education funding. HESC Marketplace helps New York's students by providing a free and transparent resource where they can research and compare private loan terms from multiple lenders within the secure environment of HESC's systems."

After submitting a simple personal information form, students may immediately view and sort a list of detailed loan terms and pricing for which they are pre-qualified – comparing up to three products at a time side-by-side – before making an educated decision. Two top-rated national lenders, Discover and PNC, currently

participate in HESC Marketplace, offering five different private student loan options. The first New York based financial institution, the State Employees Federal Credit Union (SEFCU), has also committed to join HESC Marketplace and will be online in the near future.

HESC Marketplace also includes a Learning Center to help students and their parents plan for college costs. Borrowers are advised to exhaust all grant, scholarship, and federal loan possibilities before applying for an alternative loan. The information on financial aid, tips on budgeting, and strategies for financial management help students make smart borrowing decisions.

The New York State Higher Education Services Corporation (HESC) is the State's student financial aid agency, providing more grant and scholarship money to college students than any other state in the nation. The state's student financial aid agency helped nearly 650,000 students achieve their dream of attending college by providing \$4.5 billion in grants, scholarships and loan guarantees in 2007-08, including \$795 million awarded through the Tuition Assistance Program (TAP) to more than 370,000 students. HESC also provides training and technical services to financial aid administrators, high school counselors, and lenders.

The following quotes were provided in support of the HESC Marketplace:

President and CEO of SEFCU Michael J. Castellana said: "For the past 75 years, SEFCU has been committed to providing superior financial services to our members and offering educational opportunities so they can make informed decisions about their finances. With this new partnership with HESC Marketplace, we will be able to work with students to ensure they understand the loan process and that they are matched with the best loan to meet their needs."

Director of Discover Student Loans P.K. Parekh said: "Discover is excited to participate in the launch of the HESC Marketplace Web site because it enables borrowers to better understand loans before they apply, which supports our mission to help families borrow responsibly."

President of PNC Bank's Education Loan Center Thomas Lustig said: "Through HESC Marketplace, we can present our best loan products to student loan borrowers in a non-bidding situation. We also have the flexibility to qualify potential borrowers for any or all products so that once a selection is made we can move the process along quickly."

Chairman of Overture Technologies, provider of the software engine for HESC Marketplace, Bill Kelve said: "We are excited to work with HESC, an innovator in applying online technologies that help students pay for college, to provide a safe and transparent way for students to take private loans when needed. Overture's technology platform gives students and their families the unmatched ability to compare loan terms before choosing one that best meets their needs."

Director of Financial Aid at the State University of New York at Oswego Mark Humbert said: “HESC Marketplace empowers our students to shop for private loans in a transparent environment that shows them exactly what they need to know: actual interest rates and other loan terms. It’s great that they have access to and can consider these actual terms and costs before signing the promissory note.”

Megan Bennett , a student at The College of Saint Rose, said: “HESC Marketplace provided me with details about real financing options that I compared before making a selection. It was very easy to use and I was able to see listings of all costs and fees for each loan product including the estimated total cost, APR and monthly payment. What I saw was my actual loan terms so I knew exactly what I was committing to when I selected a private loan through HESC Marketplace. I would definitely recommend this to other students.”