



Challenging times. Smart solutions.



Statistical Highlights

HESC provided nearly \$4.6 billion in financial aid in 2008-09, a growth of \$79 million over the prior year, as every aid category except consolidation loans increased.

HESC received and processed more than 1.3 million student aid applications in 2008-09, an increase of 80,400. Excluding consolidation loans, the number received and processed increased by 8 percent.

The Tuition Assistance Program (TAP) continues to lead the nation in several comparative measures, including undergraduate aid per full-time equivalent recipient (\$2,649).

The value of scholarships and other awards made by HESC jumped by 20 percent, led by a 245 percent increase in Veterans Tuition Awards, from \$1.8 million to \$6.3 million.

While interest rates and other factors led to a decline in federal consolidation loans guaranteed by HESC, the average consolidated loan grew by nearly \$23,000 (+75 percent) over the prior year's average.

New York's GEAR UP program, administered by HESC, is assisting more than 24,300 at-risk students throughout the state through sub-grants and support programs.

MISSION

We help people pay for college.

VALUES

Our Employees

We are committed to teamwork, excellence, initiative, personal growth and responsibility.

Our Customers

*We never take our customers for granted.
We ask, we listen and we respond.*

Our Products and Services

We are committed to high quality, dependability and continuous improvement to meet the changing needs of our customers.



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State fiscal year 2008-09 brought about a series of unprecedented changes for participants in the Federal Family Education Loan (FFEL) Program, including students, schools, lenders and guaranty agencies. Disruptions in the credit market, which began in 2007, continued to give rise to uncertainties which ultimately led to the establishment of a number of programs designed to create liquidity in the student loan market for the 2008-09 school year. These actions served to shore up access to capital and help ensure the continued availability of federally-backed student loans, but as we know today, they would also set the stage for more significant changes to the FFEL Program.

HESC's 2008-09 annual report highlights the agency's endeavors during the year ending March 31, 2009 to fulfill its mission of helping people pay for college. Many of the actions taken during this period have laid a strong foundation for new programs and services that will solidify HESC's role as the State's financial aid agency for years to come.

Ensuring Access for New York State Students

Students across the nation rely on loans to make their college education both achievable and affordable. More than \$76 billion in federal student loans were made in 2008 alone, the vast majority of which were provided through the FFEL Program.

When the availability of FFEL Program loans was jeopardized in early 2008, HESC designated

itself as the State's lender-of-last-resort for New York schools to ensure that no student was left unable to fulfill his or her college dream due to conditions that were beyond their control. As a result of these efforts and constant communications between HESC and our partner schools, no New York State student went through the 2008-09 school year unable to receive a federal student loan due to the turmoil in the capital markets.

Restoring Student Aid Eligibility and Enhancing Future Opportunities

The tightened credit markets adversely impacted the ability of many guaranty agencies to offer students in default on their federal student loans a means to get out from their default status and repair their credit through guaranty agencies' loan rehabilitation programs. At the height of the rehabilitation drought, HESC, the U.S. Department of Education and 19 other guaranty agencies were without a loan rehabilitation lender or program. While many other guaranty agencies ceased offering programs earlier, HESC's loan rehabilitation program remained operational through December 2008. Still, there was always a keen awareness of the adverse impact of each day without a program, particularly for students who were actively in the nine-month rehabilitation "pipeline."

Even before the last student was served by this program, HESC staff worked to develop a plan to identify and secure a lender, while continuing to work with students in the pipeline to ensure

that they continued to remain current on their payments until a new lender was identified. Restoration of HESC's loan rehabilitation program was a key focus for 2008-09 given the overarching benefits that this program offers students, including restoring students' eligibility for other Title IV aid and improving the granting and pricing of everything from credit cards to cell phones, housing and sometimes even employment.

Guaranteeing Student Education Loans

Despite the adverse economic and market climates that existed during the 2008-09 State fiscal year, a significant segment of HESC's business continued to come from its administration of federal student and parent loans. As the federally-designated guarantor for the FFEL Program in New York State, HESC guaranteed a record \$3.7 billion in new FFELP loans in 2008-09, a 15 percent increase over HESC's volume in the previous fiscal year.

Loan volume in the independent college sector increased by \$383 million (+16 percent), while the loan volume increased by \$58 million (+9 percent) at public universities and colleges. Among proprietary and vocational schools, loan volume increased by \$20 million (+25 percent) from the previous year, and out-of-state loan guaranty volume increased by \$34 million (+31 percent).

In addition to these new student loan guarantees, HESC guaranteed more than 400 consolidation loans worth nearly \$24 million.

Offering Transparency in the Selection of Student Loans

Improving transparency in student lending and giving students and families the ability to make informed borrowing choices were industry

and agency priorities throughout 2008-09. The Higher Education Opportunity Act (HEOA) of 2008 incorporated language to protect students and their families from conflicts of interest in the student loan industry. Knowledgeable about these issues, HESC continued developing ways for students and colleges to gather and maintain transparent information about student lenders.

To help students and parents research student loans in a transparent and unbiased manner, HESC initiated development of HESC Student Loan Marketplace, an interactive Web site that provides the nation's first online information and comparison service for private student loans. HESC Marketplace 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, 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.

HESC created tools and services for college administrators to assist students as well.

The RFI (Request for Information) Generator helps administrators set standard criteria when shopping for lenders, providing easy and consistent evaluation.

As a result, a college can offer its students a rational preferred lender list that also complies with the New York State Student Loan Accountability, Transparency and Enforcement (SLATE) Act of 2007.

Improving Loan Processing

AltLoan Connection was introduced in 2008-09 to enable colleges to manage private loans from multiple sources more efficiently. Offered free of charge to lenders and colleges, AltLoan Connection provides financial aid administrators with the ability to certify, make application changes and corrections, and monitor alternative loans online, all in one place.

Leading the Nation in Student Aid

New York's commitment to college students continued to be unsurpassed in 2008-09. State grant and scholarship dollars and tuition reimbursements were provided to New York State students at levels that ranked us number one nationally. In each of the last 11 years, the National Association of State Student Grant and Aid Programs (NASSGAP) has credited New York State with providing the most need-based grant dollars per undergraduate student in its annual survey.

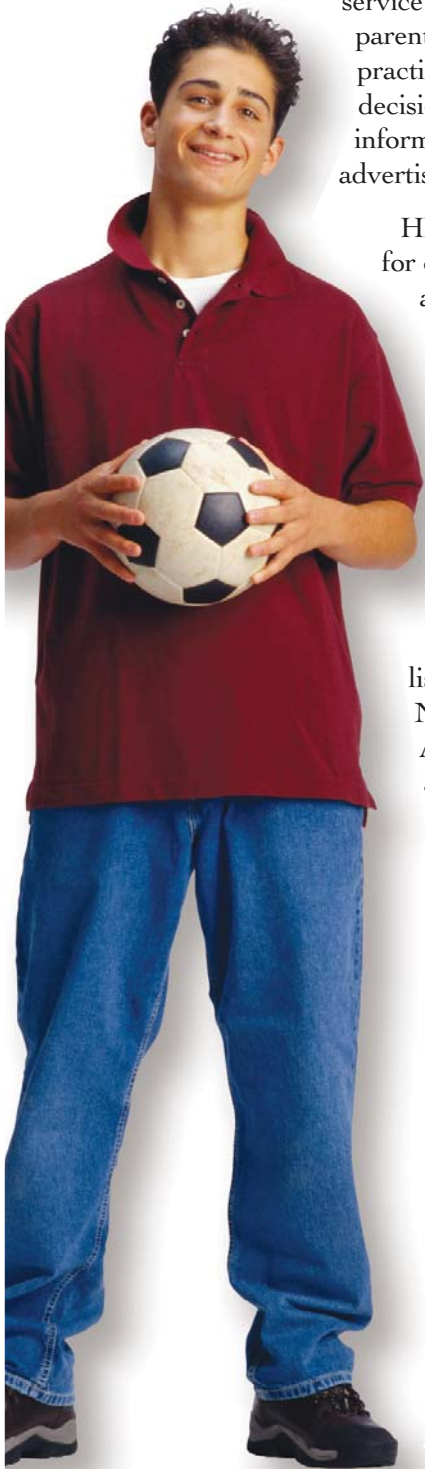
According to NASSGAP's 2007-08 survey, New York ranked first in:

- Total student aid dollars (grants and scholarships, tuition remissions) awarded: \$924 million;
- Total student grant dollars awarded: \$827 million;
- Total number of need-based student grants awarded: 309,300; and
- Average state need-based undergraduate aid award: more than twice the national average, or \$975 per full-time equivalent student.

New York's Grant, Scholarship and Loan Forgiveness Programs

The Tuition Assistance Program (TAP) allows more New York college students access to higher education and remains the standard for other states to follow. During the 2008-09 academic year, TAP provided more than 375,000 New York State students with \$813 million in tuition awards.

HESC also administers a diverse array of other State scholarships, grants and loan forgiveness programs to meet the higher education needs of New Yorkers. In all, HESC provided 46,000 awards worth \$ 51.7 million during the 2008-09 academic year, including Veterans Tuition





Awards, New York State Math and Science Teaching Incentive Scholarships, Senator Patricia McGee Nursing Faculty Scholarships, New York State Voluntary Recruitment Service Scholarships, and District Attorney Loan Forgiveness awards.

Also included among these programs were awards honoring those who lost their lives in the September 11, 2001 terrorist attacks or in military service. During the 2008-09 academic year, \$6.2 million was provided under the World Trade Center Memorial Scholarship and nearly \$200,000 was awarded through the Military Service Recognition Scholarship.

The Veterans Tuition Award, celebrating its 25th year, was enhanced in 2008-09 to provide up to full SUNY resident undergraduate college tuition for eligible New York State combat veterans. In total, more than 2,100 New York State veterans received tuition awards totaling nearly \$6.4 million.

The Leaders of Tomorrow (LOT) Scholarship, funded by the New York State Division of the Lottery, provides up to \$1,250 per year for four years to selected students attending New York State post-secondary schools. HESC completed its first year partnering with the Lottery Division to process applications and disburse \$3.6 million in awards to 3,359 LOT scholars in 2008-09.

With growing demand for math and science teachers, physicians, social workers, district attorneys and nurses in high-needs areas, New York continued to provide scholarships and loan forgiveness programs for students entering these critical professions. Under the Senator Patricia K.

McGee Nursing Faculty Scholarship and the Loan Forgiveness for Nursing Faculty program, which provides incentives for nurse faculty to remain and educate new nursing students in New York State, scholarships totaling more than \$1.2 million were awarded to 107 nursing faculty. Additionally, more than \$2.9 million was disbursed for a variety of loan forgiveness programs.

Expanded Paperless Electronic Processing

From its public face on the Web to its back-end systems for financial aid administrators, HESC remains a leader in student financial aid processing with innovations supporting electronic products that comply with new laws.

From applications to award notifications, from TAP to loans, electronic processing is by far the most preferred communication method. Of the more than 646,000 TAP applications filed for the 2008-09 academic year, 85 percent were filed electronically using either HESC's automatic renewal process or our easy-to-use "TAP on the Web" application. HESC processed over 30,000 more applications electronically for 2008-09 than for the 2007-08 academic year.

HESC continues to streamline processing and reduce its environmental impact by encouraging application and follow-up communications as electronic transactions. With HESC's e-FAFSA link, New York remains the only state with a direct link to the FAFSA approved by the U.S. Department of Education.



During 2008-09, 78 percent of the almost 175,000 application updates received from students were submitted electronically using HESC's state-of-the-art online Change Form, and one million e-mails were sent out to notify students of award eligibility. In all, 98 percent of HESC's TAP communications were electronic.

HESC's ground-breaking electronic fund transfer (EFT) Express program, which incorporates the best features of the Federal Direct Student Loan Program and the Federal Family Education Loan Program (FFELP) disbursement systems, continued to grow. By the end of fiscal year 2008-09, schools using EFT Express disbursed \$453.9 million in student loans, a 22.5 percent increase over the previous year.

Administrator Training

HESC Customer Relations staff continued to deliver high-quality, timely and relevant training to financial aid administrators throughout the State, presenting sessions at three major association conferences: SUNY Financial Aid Professionals (SUNYFAP), New York State Organization of Bursars and Business Administrators (NYSOBBA), and New York State Financial Aid Administrators Association (NYSFAAA). In addition, HESC's statewide administrative workshops trained more than 600 financial aid officers.

HESC held its 4th annual HESC Symposium, attended by 187 financial aid professionals from across the State, in fall 2008. This highly-regarded professional conference featured nationally

recognized speakers such as Brett Lief from the National Council on Higher Education Loan programs (NCHELP).

Developing Centers of Excellence in Servicing Students

As part of our role in guaranteeing student loans, HESC staff began expanding their expertise and further developing centers of excellence in financial literacy and default prevention, as well as identifying effective collection tools to help borrowers in default restore their good standing on those loans.

Targeted Default Prevention and Management

The 2008 passage of the HEOA altered the formula for calculating college cohort default rates, calling for two years of repayment data rather than just one. This change will likely result in an increase in the calculated default rates for many schools, making it more important than ever for colleges to enhance their default prevention strategies.

In response, HESC launched Right Track, a complete package of established services designed to assist college financial aid administrators in helping student borrowers stay on the right course throughout the life of their loans, and avoid loan defaults.

Right Track components include entrance and exit counseling materials, financial literacy programs and other resources that administrators

can use to keep their students on target. Right Track also offers college staff training, default management action plans and strategies for prevention, retention and intervention. With Right Track, participating colleges averted more than \$3.4 billion in potential student loan defaults in the fiscal year. College administrators can access Right Track information directly from HESC.org.

After students graduate, withdraw, or fall below half time, HESC's Advocate Unit counsels borrowers during their grace period about their loan obligations and provides information about loan repayment options. HESC also helps borrowers who fall behind with loan payments get back on track with additional counseling to help prevent default.

HESC's innovative Web-based Default Manager tool provides colleges with the timeliest information available to help electronically identify, track and schedule follow-ups for their student borrowers who are closest to default and most in need of additional assistance, saving paper and staff resources, while helping colleges significantly lower their cohort default rate.

Default Prevention Grant Success

HESC continues to see the positive results of the \$1 million in Default Prevention grants it disbursed to 29 colleges throughout the state in 2007. Best practices implemented by grant recipients included the hiring of default managers, researching of demographics of their defaulters and high risk students, and focusing on financial literacy and additional training for current staff. One college was successful in decreasing its cohort default rate from 6.4 percent to 2.77 percent in one year as a result of programs implemented with these grant funds.

Expanding Financial Literacy

The financial difficulties experienced by students and their families during 2008-09

underscored the need for increased financial literacy awareness services.

HESC continued to educate students on budgeting, establishing and maintaining good credit, and making sound financial decisions through an enhanced Financial Awareness and Consumer Training for Students (FACTS) program. HESC staff conducted in person FACTS presentations to thousands of students at 65 sessions across the State. The program is also available at HESC.org, with a suggested script for use by high school and college counselors to help educate all New York State students.

In 2008-09, HESC began development of a comprehensive financial literacy electronic-learning program that will help students and families become better-informed borrowers. The literacy program, featuring a sound educational curriculum and a robust learning management system platform, will launch in phases, with the first ready at the end of 2009.

Other financial literacy initiatives included HESC's growing library of articles for school newsletters, video and audio podcasts addressing a variety of financial aid and money management issues important to students. Throughout April, financial literacy month, new audio podcasts on topics including understanding credit reports, preventing identity theft, and how to be a smart borrower were featured, along with financial literacy "tips of the week."



Keeping the Communication Channels Open

HESC.org remained the agency's cornerstone for communication. Colleges, high schools, libraries, and education-related associations have added direct links to HESC.org to provide New Yorkers with necessary college, career and financial aid planning information.

HESC updated its useful and highly sought-after publications, including "How You Can Pay for College," "How to Apply for Financial Aid," and "Student Guide to Smart Borrowing and Your Financial Future." These and other financial aid print materials help guidance counselors and financial aid administrators educate students on how to pay for college, make smart borrowing decisions, and manage debt. They also serve to provide school guidance counselors and college financial aid administrators with information on financial literacy and exit counseling and repayment strategies.

HESC's Call Center staff directly assisted nearly 300,000 students and families during the past fiscal year, and responded to an additional 7,000 electronic communications received through HESC's new "Web mail" software. This new communications portal enabled staff to read and respond to e-mail in real time, just as if they were answering a phone call.

In addition, HESC's Call Center staff assists approximately nearly 100 "walk-in" students each year in one of our available private counseling rooms.

Solving Difficult Issues One-on-One

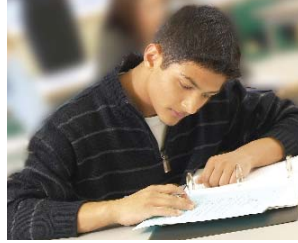
HESC's Ombudsman program helps to solve hundreds of students' difficult financial aid issues in each year. Working with the Federal Student Aid (FSA) Ombudsman, we help to resolve problems experienced by New Yorkers concerning their federal loans. Each problem is resolved on a case-by-case basis, with the interests of the students the Ombudsman's utmost concern.

Enhancements to HESC's Systems

HESC has made processing and infrastructure enhancements to accommodate the implementation of the federal Ensuring Continued Access to Student Loans Act (ECASLA) of 2008, which allows lenders to sell loans to the federal government to gain money to finance additional educational loans. The process requires the transmittal of all loan-related information and documentation to the U.S. Department of Education. As a direct result of lender participation in ECASLA programs, HESC increased its storage capabilities to handle the electronic imaging of thousands of documents, and enhanced its processing system to accommodate the new federal process.

HESC also implemented the Enterprise Integrated Information Exchange System (EIIES) to consolidate, upgrade and streamline its processes for electronic file transfer with its school and lender partners. The new system allows HESC to retire its former file transfer system, which was running on a platform that was no longer supported, and leverage its programming expertise to set the stage for future enhancements to other agency processing systems.





The migration of the front end of HESC's Web-based processing system from the State's central mainframe system to HESC's own virtual distributed systems platform saved millions of dollars while at the same time providing a faster, more robust environment for its processing systems. The new platform allows for the deployment of additional test environments on demand without disrupting the operation of existing production and test environments. It also allows HESC to align its system with the New York State Office for Technology's Enterprise Architecture, Standards for Accessibility, and Cyber Security and Critical Infrastructure guidelines.

Pre-College Services: Keeping the Doors to College Open

During economically challenging times, it is even more important to ensure that students go to college, graduate and remain as productive residents in the State. As in the past, HESC reached out to students, families and counselors throughout the State in 2008-09 to provide essential information about college and career planning and financial aid. High school outreach and communications programs included college fairs, counselor workshops, legislative financial aid events, early awareness financial aid sessions, and participation in the national College Goal Sunday program. HESC Customer Relations outreach staff completed 52 statewide outreach events during the fiscal year, serving over 42,000 students and families. HESC continued to lay the

framework for improved college access through development of a special portal for high school counselors on HESC.org to provide greater college planning and financing resources.

CACG: Making College Accessible

HESC continued to serve as the State administrator of the College Access Challenge Grant Program (CACG), through which \$8 million is to be distributed over two years to government, private, and philanthropic organizations who work together to increase the number of low-income, minority, and underserved students prepared to enter and succeed in postsecondary education.

Sub-grants awarded by HESC will support programs and activities to help secondary school students and families who are at or below the federal poverty level, plan for and attend college. Grantees meet measurable goals and objectives in bringing disadvantaged students to higher education.

Awards initiated during 2008-09 were disbursed throughout the State to needy communities from Long Island to Buffalo. Funded projects include programs to assist students and families with completing the Free Application for Federal Student Aid (FAFSA), provide much-needed professional development training for guidance counselors at middle and secondary schools, and promote financial literacy and debt management.

GEAR UP: Changing Lives

New York's Gaining Early Awareness and Readiness for Undergraduate Programs (NYGEAR UP) is part of a nationwide initiative to create innovative programs to help at-risk students think about and prepare for college.

During 2008-09, HESC continued to administer its second six-year, \$21 million federal GEAR UP grant. GEAR UP grants are used to fund both early intervention programs, designed to increase college attendance and success and raise the expectations of low-income students, and provide scholarships. These grants support more than 7,700 program students and more than 16,600 federal partnership students in key areas throughout the State.

HESC's GEAR UP staff conducted site visits and professional development workshops, as well as coordinated and planned statewide and regional meetings to facilitate communication and information sharing.

New York's 529 College Savings Program

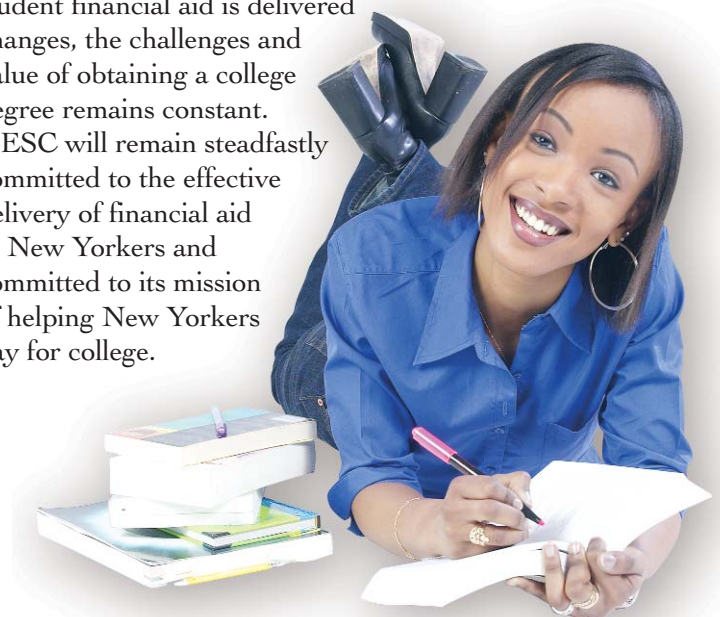
Celebrating its 10th anniversary during 2008-09, New York's 529 College Savings Program has spent a decade helping New Yorkers save for college. Administered by HESC and the Office of the State Comptroller, the Program oversaw more than 630,000 accounts, with more than \$8 billion in assets in 2008-09, and HESC disbursed nearly \$87 million in funds for the New York 529 College Savings Program during the year. In all, nearly \$1.4 billion in 529 college savings has been disbursed to help New Yorkers pay their college costs. Coupled with the national UPromise rewards program, New York's 529 College Savings Program will help thousands of students achieve their higher education goals.

Looking Ahead

Steadfast dedication to HESC's mission has allowed the agency to progress through economic challenges, assist students and schools alike, and emerge in a position of strength. HESC has a 34-year history in delivering financial aid services to New York State schools and students. Throughout that time, we have continually retooled our services and initiatives to meet the challenges and needs of the day. As we continue to meet our mission, we continue to develop innovative initiatives and programs to help people pay for college.

As we look ahead to 2009-10, we will continue to encourage lender participation in and the growth of the HESC Student Loan Marketplace. We will administer the launching of the Governor's New York Higher Education Loan Program (NYHELPS), the first new major student financial aid initiative in 35 years and the first program to give New York families access to low-cost private education loans never before available to them. Financial literacy, a key component of NYHELPS, will continue to be a vital service offered by HESC. And we will grow our pre-college initiatives to ensure that students can access college, and access them prepared for the educational experience they will receive.

Even as the needs of New York's students and families change and the environment under which student financial aid is delivered changes, the challenges and value of obtaining a college degree remains constant. HESC will remain steadfastly committed to the effective delivery of financial aid to New Yorkers and committed to its mission of helping New Yorkers pay for college.



Financial Aid Programs for New York State Students

Grants and Scholarships

Name of Program	Description of Program	2008-09 Accomplishments
Tuition Assistance Program (TAP)	Need-based grant program for full-time students. Provides up to \$5,000/year to students who qualify.	Provided \$813 million in grants to more than 375,000 students.
NYS Aid for Part-Time Study (APTS)	Provides up to \$2,000/year for part-time students who meet income eligibility limits.	Provided more than \$11 million in aid to more than 19,000 students.
NYS Scholarships for Academic Excellence	Up to 2,000 scholarships of \$1,500 are awarded each year to the top graduating scholar at each registered high school in New York State, and up to 6,000 scholarships of \$500 are also awarded to other outstanding students.	Awarded nearly \$12 million in scholarships to 16,839 students.
Robert C. Byrd Honors Scholarships	Up to \$1,500 in federal scholarship money for academically talented high school students.	Awarded more than \$2 million in scholarships to 1,595 students.
NYS Memorial Scholarships for Families of Deceased Firefighters, Volunteer Firefighters, Police Officers, Peace Officers and Emergency Medical Service Workers	Provides up to the cost of SUNY educational expenses for children, spouses and financial dependents of deceased firefighters, volunteer firefighters, police officers, peace officers and emergency medical service workers who have died as the result of an injury sustained in the line of duty.	Awarded \$920,000 in scholarships to 81 students.

Financial Aid Programs for New York State Students

Grants and Scholarships (Cont'd.)

Name of Program	Description of Program	2008-09 Accomplishments
NYS Regents Awards for Children of Deceased and Disabled Veterans	Provides \$450/year to children of veterans who are deceased, at least 40 percent disabled, missing in action, or were a prisoner of war.	Awarded \$158,000 to 415 students.
Veterans Tuition Awards	Provides up to 98 percent of the full cost of undergraduate tuition at the State University of New York, prorated by credit hour for part-time study, to Vietnam, Persian Gulf, or Afghanistan veterans in college or in an approved vocational training program in New York State.	Awarded nearly \$6.4 million to 2,107 students.
NYS World Trade Center Memorial Scholarship	Provides up to the cost of SUNY educational expenses for children, spouses and financial dependents of those killed or seriously disabled in the September 11, 2001 terrorist attacks.	Awarded nearly \$6.2 million to 475 students.
NYS Regents Health Care Opportunity Scholarships	Provides \$10,000/year to economically disadvantaged or historically under-represented minority students in New York State medical or dental schools.	Awarded \$325,000 in scholarships to 33 students.
NYS Regents Professional Opportunity Scholarships	Provides \$1,000-\$5,000/year to economically disadvantaged or historically under-represented minority students studying for degrees in 24 professions at New York State schools.	Awarded more than \$1.2 million in scholarships to 375 students.
NYS New York State Volunteer Recruitment Service Scholarship	Provides up to the cost of SUNY tuition to volunteer firefighters and ambulance personnel who are enrolled in an approved undergraduate degree program in New York State.	Awarded nearly \$1.9 million in scholarships to 593 students.

Financial Aid Programs for New York State Students

Grants and Scholarships (Cont'd.)

Name of Program	Description of Program	2008-09 Accomplishments
Military Service Recognition Scholarship	Provides up to the cost of SUNY educational expenses for children, spouses and financial dependents of members of the armed forces of the United States or state organized militia who, at any time on or after Aug. 2, 1990, while New York State residents, died or became severely and permanently disabled while engaged in hostilities or training for hostilities.	Awarded \$198,000 in scholarships to 17 students.
Senator Patricia K. McGee Nursing Faculty Scholarship	This competitive award is made to licensed nurses who study to become nursing faculty and agree to serve as a teacher in a facility in New York State. Payments are available for up to three years of study. Recipients must complete their master's program within three years of receiving this scholarship.	Awarded \$885,000 in scholarships to 58 students.
Flight 587 Memorial Scholarship	Provides up to the cost of SUNY educational expenses for families and financial dependents of victims of the crash of American Airlines Flight 587 on Nov.12, 2001.	Awarded \$266,000 in scholarships to 22 students.
NYS Math & Science Teaching Incentive Scholarship	The NYS Math & Science Teaching Incentive scholarship provides grants to eligible full-time undergraduate or graduate students in approved programs that lead to math or science teaching careers in secondary education.	Awarded more than \$1.2 million in scholarships to 266 students.
New York Lottery - Leaders of Tomorrow Scholarship	The New York Lottery - Leaders of Tomorrow Scholarships are awarded to one student from every public and non-public school with experience in extracurricular activities and community service and who has demonstrated leadership skills. For study in New York State.	Awarded more than \$3.6 million in scholarships to 3,359 students.

Financial Aid Programs for New York State Students

Loan Forgiveness Programs

Name of Program	Description of Program	2008-09 Accomplishments
Regents Physician Loan Forgiveness Program	Provides payment of loans for physicians who practice medicine in shortage areas of New York State.	Forgave \$780,000 in loans for 78 physicians.
Nursing Faculty Loan Forgiveness Incentive Program	The maximum lifetime award under this program is the lesser of \$40,000, paid in the amount of \$8,000 for each annual period of qualified service completed, or the applicant's actual eligible student loan amount at the time their eligibility is established.	Paid \$334,000 to 49 licensed registered nurses.
NYS Licensed Social Worker Loan Forgiveness Program	The maximum award under this program will be \$26,000 or the applicant's eligible student loan indebtedness at the time they apply, whichever is less. Awards will be paid in annual disbursements for each period of qualified service. Annual disbursements will be equal to \$6,500 or their remaining loan indebtedness.	Paid \$810,000 to 135 licensed social workers.
District Attorney Loan Forgiveness Program	District Attorney Loan Forgiveness awards are offered to retain experienced attorneys employed in district attorney offices throughout New York State. Awards will be paid in disbursements up to \$3,400 per year. The maximum lifetime total award an eligible attorney may receive under this program is \$20,400 or the cumulative total of their eligible student loan expenses at the time they first apply, whichever is less.	Paid more than \$1.3 million to 389 eligible district attorneys.

Financial Aid Programs for New York State Students

Federal Family Education Loan Programs

Name of Program	Description of Program	2008-09 Accomplishments
Federal Stafford Loans (Subsidized)	Available to all students demonstrating financial need who are enrolled at least half time in a program leading to a degree, certificate, or diploma. Federal government pays interest while student is in school. The interest rate is fixed at 6 percent.	Guaranteed more than \$1.4 billion for more than 337,000 loans.
Unsubsidized Federal Stafford Loans	Available to all students, regardless of financial need, who are enrolled at least half time in a program leading to a degree, certificate, or diploma. The interest rate is fixed at 6.8 percent.	Guaranteed nearly \$1.5 billion for nearly 322,000 loans.
Federal PLUS Loans	Available to all parents or stepparents, and legal guardians (regardless of income as long as they do not have an adverse credit history) of dependent students and available to graduate students. Up to the student's cost of attendance, minus any other financial aid, may be borrowed. The interest rate is fixed at 8.5 percent.	Guaranteed more than \$789 million for more than 52,000 loans.
Federal Consolidation Loan Program	Allows borrowers with more than one loan to combine them into one new loan for repayment.	Guaranteed nearly \$24 million for more than 400 loans.

Financial Aid Programs for New York State Students

Loan-Related Programs

Name of Program	Description of Program	2008-09 Accomplishments
Default Aversion Assistance Request (DAAR)	Lenders ask HESC to help resolve problems which borrowers have making their payments.	Received and resolved more than 430,000 DAARs for more than \$3.4 billion.
Rehabilitation Loan Program	Allows borrowers who have made nine consecutive payments to have their loans removed from default.	Rehabilitated nearly \$121 million in loans for more than 7,300 borrowers.
Renewed Eligibility for Title IV Aid	Allows borrowers who have made six consecutive, voluntary payments to become eligible for additional aid. Payments must be made every month, even if borrower returns to school full time, to maintain eligibility.	Renewed aid eligibility for more than 1,800 borrowers.
Smart Pay Program	Allows borrowers with defaulted loans to have their payments deducted from their bank accounts.	Received nearly 17,450 payments from borrowers who took advantage of this repayment method and paid more than \$2.8 million.

Financial Aid Programs for New York State Students

Pre-College Services

Name of Program	Description of Program	2008-09 Accomplishments
New York's 529 College Savings Program	Tax-advantaged savings program to help parents save for college expenses.	More than 630,000 accounts with a total value of more than \$8 billion have been established through the program's 11th year. Nearly \$1.4 billion has been disbursed.
NYGEAR UP	Need-based support program for at-risk high school students. Local school district, college and community-based organization partnerships provide comprehensive college preparation services.	Administered \$3.5 million in federal continuation grants which support more than 7,700 state program students and more than 16,600 federal partnership students.

Table 1A
Student Loans Guaranteed

Federal Stafford Loans (Subsidized and Unsubsidized) and Federal PLUS Loans			
State Fiscal Year	Number	Amount (\$ thousands)*	Average
2004-05	536,596	\$2,553,481	\$4,759
2005-06	551,833	\$2,707,774	\$4,907
2006-07	580,602	\$2,968,368	\$5,113
2007-08	594,579	\$3,211,070	\$5,401
2008-09	711,026	\$3,706,468	\$5,213

New federal
Stafford Loan
and PLUS
guarantees
rose to a
record
711,026
worth
more than
\$3.7 billion,
a one-year
dollar growth
of 15 percent.

* Stafford and PLUS loan guaranteed amounts exclude adjustments and cancellations.

Table 1B
Student Loans Guaranteed

While interest
rates and
other factors
led to a decline
in federal
consolidation loans,
guaranteed
by HESC,
the average
consolidated loan
grew by nearly
23,000
(+75 percent)
over the prior
year's average.

Federal Consolidation Loans			
State Fiscal Year	Number	Amount (\$ thousands)**	Average
2004-05	136,869	\$3,545,106	\$25,901
2005-06	189,671	\$4,734,088	\$24,959
2006-07	74,514	\$1,626,774	\$21,832
2007-08	15,196	\$467,727	\$30,780
2008-09	444	\$23,851	\$53,718

** Consolidation guaranteed amount includes loan adjustments and is net of cancellations.

Table 2
Number of Student Loans Guaranteed by Program

Program	State Fiscal Year				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Federal Consolidation Loans	136,869	189,671	74,514	15,196	444
Percent Change From Prior Year	51.5%	38.6%	-60.7%	-79.6%	-97.1%
Federal PLUS Loans	40,580	47,035	51,901	51,179	52,221
Percent Change From Prior Year	10.2%	15.9%	10.3%	-1.4%	2.0%
Federal Stafford Loans	290,085	290,553	309,977	324,333	337,029
Percent Change From Prior Year	-0.3%	0.2%	6.7%	4.6%	3.9%
Unsubsidized Federal Stafford Loans	205,931	214,245	218,724	219,067	321,776
Percent Change From Prior Year	1.1%	4.0%	2.1%	0.2%	46.9%
TOTAL	673,465	741,504	655,116	609,775	711,470
Percent Change From Prior Year	8.3%	10.1%	-11.7%	-6.9%	16.7%

Led by a 47 percent increase in Unsubsidized Stafford Loans, HESC guaranteed more than 711,000 educational loans, a 17 percent increase over the prior year.

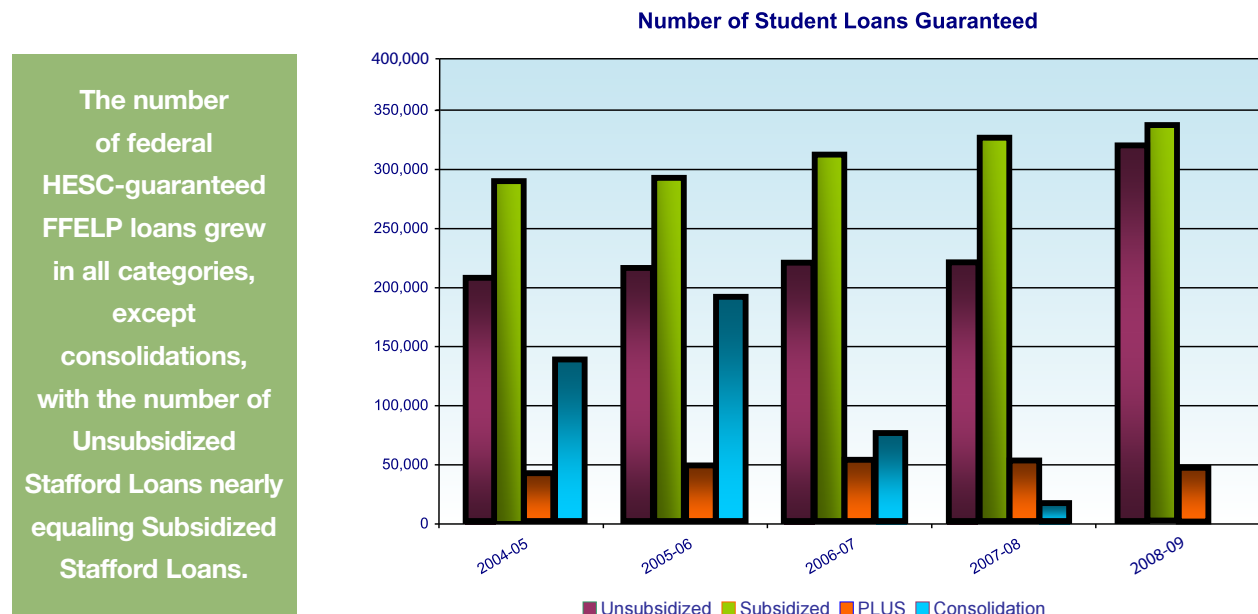


Table 3
Amount of Student Loans Guaranteed by Program

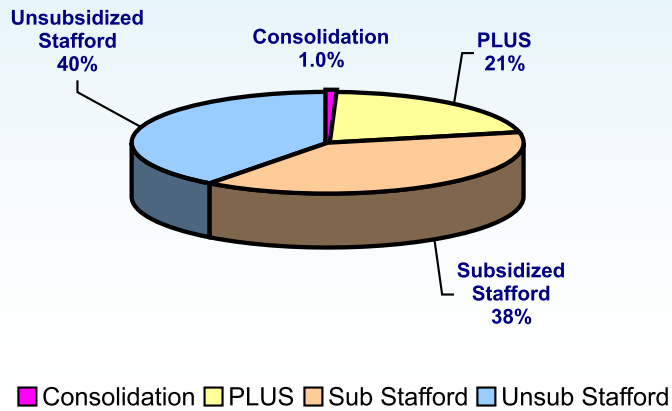
Program	State Fiscal Year (\$ thousands)				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	2008-09
Federal Consolidation Loans *	\$3,545,106	\$4,734,088	\$1,626,774	\$467,727	\$23,851
Percent Change From Prior Year	40.0%	33.5%	-65.6%	-71.2%	-94.9%
Federal PLUS Loans **	\$465,490	\$569,451	\$685,798	\$708,323	\$789,349
Percent Change From Prior Year	14.0%	22.3%	20.4%	3.3%	11.4%
Federal Stafford Loans **	\$1,128,593	\$1,134,971	\$1,126,648	\$1,373,761	\$1,432,096
Percent Change From Prior Year	2.5%	0.6%	8.1%	12.0%	4.2%
Federal Stafford Unsubsidized Loans **	\$959,398	\$1,003,352	\$1,055,922	\$1,128,986	\$1,485,023
Percent Change From Prior Year	4.5%	4.6%	5.2%	6.9%	31.5%
TOTAL	\$6,098,587	\$7,441,862	\$4,595,142	\$3,678,797	\$3,730,319
Percent Change From Prior Year	23.0%	22.0%	-38.3%	-19.9%	1.4%

* Consolidation guaranteed amount includes loan adjustments and is net of cancellations.

** Stafford and Plus loan guaranteed amounts exclude adjustments and cancellations.

The dollar volume of new HESC-guaranteed loans (excluding consolidations) grew in all categories, with one-year increases ranging from +4.2 percent (Subsidized Stafford) to +32 percent (Unsubsidized Stafford).

2008-09 Loan Dollars Guaranteed by Program



For the first time, the proportion of HESC-guaranteed Unsubsidized Stafford Loan dollar volume exceeded the proportion of the volume of Subsidized Stafford Loans.

Table 3A
EFT Escrow Service

	State Fiscal Year (\$ thousands)									
	2004-05		2005-06		2006-07		2007-08		2008-09	
	Number of Transactions	Dollar Amount	Number of Transactions	Dollar Amount	Number of Transactions	Dollar Amount	Number of Transactions	Dollar Amount	Number of Transactions	Dollar Amount
Federal Stafford Loans	433,013	\$826,340	440,181	\$840,302	387,732	\$795,757	442,930	\$879,220	312,818	\$719,864
Percent Change From Prior Year	3%	4%	2%	2%	-12%	-5%	14%	10%	-29%	-18%
Unsubsidized Federal Stafford Loans	303,771	\$679,611	327,050	\$735,122	284,123	\$698,408	313,559	\$733,179	331,402	\$797,982
Percent Change From Prior Year	6%	7%	8%	8%	-13%	-5%	10%	5%	6%	9%
Federal Plus Loans	56,987	\$324,092	64,536	\$384,485	67,351	\$472,230	73,691	\$488,355	62,663	\$500,160
Percent Change From Prior Year	15%	17%	13%	19%	4%	23%	9%	3%	-15%	2%
NYS 529 College Savings Program	5,092	\$29,695	7,540	\$44,335	10,628	\$64,013	6,800	\$37,790	4,573	\$22,510
Percent Change From Prior Year	40%	44%	48%	49%	41%	44%	-36%	-41%	-33%	-40%
Alternative Loans	37,251	\$201,590	50,539	\$284,004	58,242	\$325,854	56,061	\$299,681	42,114	\$252,218
Percent Change From Prior Year	32%	35%	36%	41%	15%	15%	-4%	-8%	-25%	-16%
Non-HESC Guaranteed Loans	2,588	\$4,602	3,354	\$7,274	2,994	\$7,678	2,719	\$6,858	5,618	\$15,449
Percent Change From Prior Year	38%	48%	30%	58%	-11%	6%	-9%	-11%	107%	125%
Total	838,702	\$2,065,930	893,200	\$2,295,522	811,070	\$2,363,940	895,760	\$2,445,083	759,188	\$2,308,183

HESC's Electronic Funds Transfer escrow service was used for nearly 760,000 transactions worth \$2.3 billion, with growth shown for Unsubsidized Stafford, PLUS, and non-HESC-guaranteed loan activity.

HESC earned income from its EFT escrow service, which was used for six different student aid program areas.

EFT Escrow Service Dollars (\$ thousands)

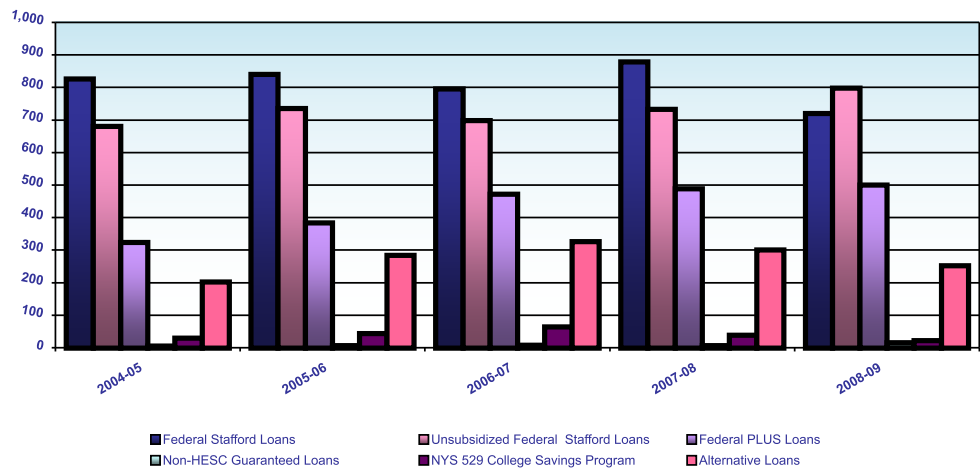


Table 4
Student Loans Outstanding

State Fiscal Year	Amount Outstanding (\$ thousands)	Change from Prior Year	
		Amount (\$ thousands)	Percent
2004-05	\$19,941,402	\$2,382,187	13.6%
2005-06	\$22,148,604	\$2,207,202	11.1%
2006-07	\$21,210,220	(\$938,384)	-4.2%
2007-08	\$22,306,451	\$1,096,231	5.2%
2008-09	\$22,202,043	(\$104,408)	-0.5%

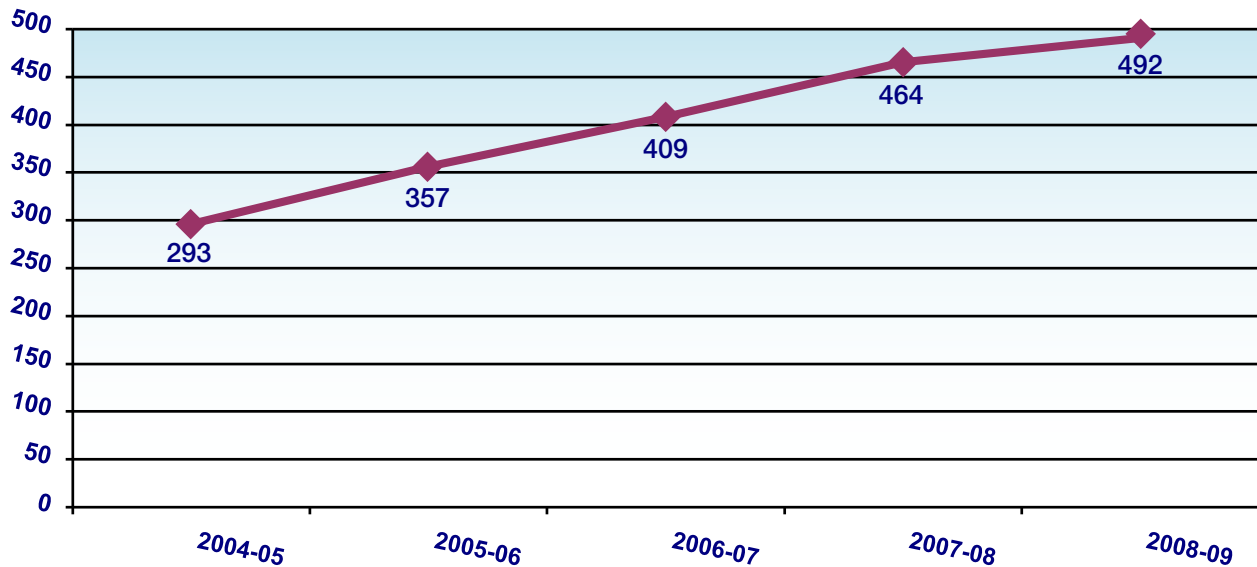
HESC has more than \$22.2 billion in federal loans under its guarantee, a slight decline from the prior year due to lower consolidation loan volume.

Table 5
Defaulted Loans Purchased

	State Fiscal Year (\$ thousands)				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Loans Purchased	\$293,463	\$357,448	\$409,417	\$464,115	\$492,255
Outstanding Balance of Guaranteed Loans in Repayment	\$12,788,865	\$14,520,658	\$13,844,654	\$13,755,556	\$13,842,572
Loans Purchased as a Percent of Guaranteed Loans in Repayment	2.3%	2.5%	3.0%	3.4%	3.6%

Despite an eroding economy, HESC purchases of defaulted FFELP loans rose by only 6 percent, reflecting HESC's superior default aversion tools.

Default Loan Dollars Purchased
(\$ millions)



The slope of HESC default purchases, while upward, has been lower than that of new HESC guaranteed loans, and the 2008-09 increase in defaults was the lowest percentage increase in the last five years.

Table 5A
Default Cohort and Trigger Rates

	Federal Fiscal Year Ended September 30				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
HESC's Cohort Default Rate *	4.70%	3.90%	5.60%	8.2%	*
National Default Cohort Rate	5.10%	4.60%	5.20%	6.7%	*
HESC's Default Trigger Rate **	1.48%	1.67%	1.47%	1.42%	NA

* The Cohort Default Rate is the percentage of student borrowers who enter into repayment in a given federal fiscal year (denominator) and default within the same federal year or the next federal fiscal year (numerator). Because of the nature of this calculation, the rates for this year will not be available until September 2010. Note that the 2007 HESC rate is artificially inflated due to a shift in consolidation loans by a major lender, which reduced the denominator.

** Default claims are measured as a percentage of prior years' loans in repayment as calculated by the Department of Education (ED). A guarantee agency's percentage in excess of 5 percent, as established by ED, would "trigger" a reduction in the reinsurance rate paid to guarantee agencies for the reimbursement of claims. If default claims exceed 9 percent, an additional reduction in reinsurance is triggered.

Table 6
Collection Activities on Defaulted Loans

	State Fiscal Year (\$ thousands)				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Outstanding Balance of Defaulted Loans	\$1,468,997	\$1,516,693	\$2,137,086	\$2,247,425	\$1,872,463
Regular Collections	\$138,064	\$137,015	\$137,276	\$149,252	\$143,319
Amount Consolidated*	\$238,087	\$190,555	\$144,543	\$85,373	\$104,679
Amount Rehabilitated*	\$9,295	\$28,078	\$136,400	\$181,401	\$120,620
Total Collected	\$385,446	\$355,648	\$418,219	\$416,026	\$368,618

Note: The Collection, Consolidated and Rehabilitated amounts include principal, interest and collection fees.

	Corresponding Revenue to HESC				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Revenue Collections	\$31,979	\$31,958	\$32,043	\$29,546	\$23,290
Revenue Consolidated *	\$37,384	\$29,703	\$19,017	\$7,172	\$8,825
Revenue Rehabilitated *	\$2,356	\$8,470	\$40,998	\$65,045	\$41,131
Total Collection Related Revenue	\$71,179	\$70,131	\$92,058	\$101,763	\$73,246

Accounts that are consolidated or rehabilitated are no longer in default and have been returned to repayment.

* See "FINANCIAL AID PROGRAMS FOR NEW YORK STATE STUDENTS," for a description of these programs.

HESC recovered nearly \$370 million from defaulted loans, down from the prior year due to the suspension of rehabilitation purchases by all lenders from December 2008 through the state fiscal year's end because of credit market conditions.

Table 7
Tuition Assistance Program Recipients and Expenditures

<u>Level of Study</u>	Academic Year				Estimated 2008-09
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	
	Annual Average Recipients (FTE)				
Undergraduate	327,436	322,339	311,376	301,807	305,830
Graduate	8,077	8,054	7,946	7,381	7,550
TOTAL	335,513	330,393	319,322	309,188	313,380
Percent Change from Prior Year	2.3%	-1.5%	-3.4%	-3.2%	1.4%
	Annual Expenditures (\$ thousands)				
Undergraduate	\$871,337	\$859,668	\$824,354	\$791,369	\$810,010
Graduate	\$3,093	\$3,176	\$3,135	\$2,879	\$2,990
TOTAL	\$874,430	\$862,844	\$827,489	\$794,248	\$813,000
Percent Change from Prior Year	3.4%	-1.3%	-4.1%	-4.0%	2.4%
	Annual Expenditures Per Annual Average Recipient				
Undergraduate	\$2,661	\$2,667	\$2,647	\$2,622	\$2,649
Graduate	\$383	\$394	\$395	\$390	\$396
All	\$2,606	\$2,612	\$2,591	\$2,569	\$2,594
Percent Change from Prior Year	1.1%	0.2%	-0.8%	-0.9%	1.0%

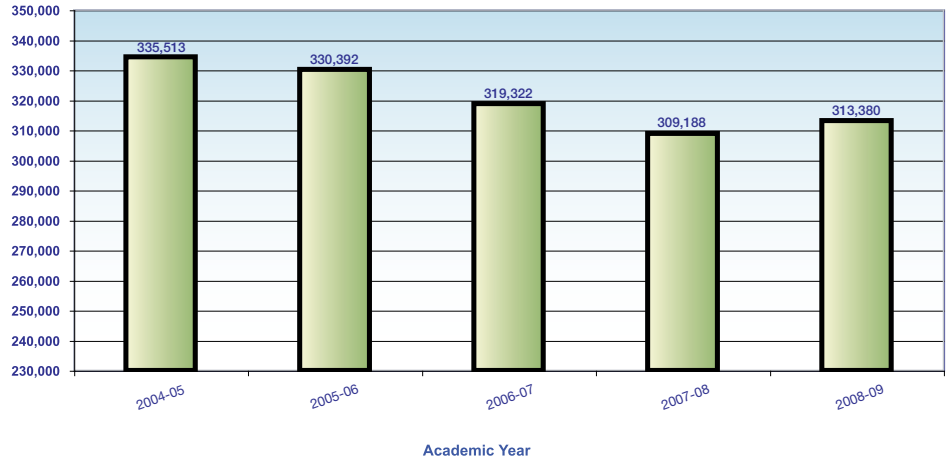
* Data is as of September 21, 2009.

The Tuition Assistance Program (TAP) continues to lead the nation in several comparative measures, including undergraduate aid per full-time equivalent recipient (\$2,649).

Updated 12/17/09

Reversing a 3-year declining trend, TAP FTE recipients grew by nearly 4,200 and TAP award dollars increased by nearly \$18.8 million, over the prior year.

Total TAP Recipients (FTE's)



Total TAP Dollars (\$ millions)

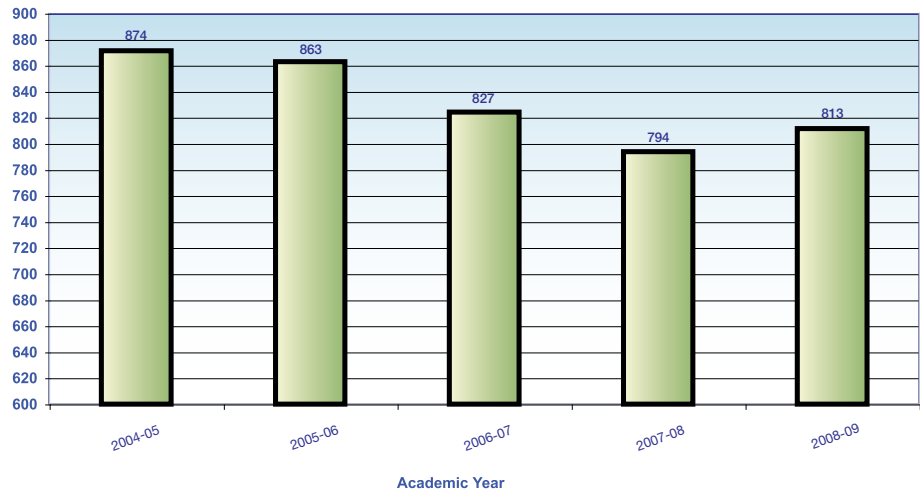


Table 8 Tuition Assistance Program Recipients

by Level of Study and Type of Institution *

<u>Level of Study/Type of Institution</u>	Academic Year				
	Annual Average Recipients (FTE)				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Undergraduate:					
City University					
Senior Colleges	43,413	44,511	43,990	44,203	45,750
Community Colleges	21,131	20,619	19,066	19,637	20,910
CUNY TOTAL	64,544	65,130	63,056	63,840	66,660
State University					
State Operated	72,987	73,061	72,305	69,485	69,200
Community Colleges	55,147	53,801	53,325	53,557	57,630
SUNY TOTAL	128,134	126,862	125,630	123,042	126,830
Independent Colleges	94,330	91,835	88,910	84,353	81,950
Proprietary Degree-Granting Institutions	37,060	35,401	30,972	28,511	27,950
Nondegree Business Schools	2,636	2,402	2,070	1,906	2,240
All Other Institutions	732	709	738	155	200
UNDERGRADUATE TOTAL	327,436	322,339	311,376	301,807	305,830
Graduate:					
City University	616	611	530	493	540
State University	2,882	2,893	2,826	2,742	2,630
Independent Colleges	4,579	4,550	4,590	4,146	4,380
GRADUATE TOTAL	8,077	8,054	7,946	7,381	7,550
GRAND TOTAL	335,513	330,393	319,322	309,188	313,380

* Data is as of September 21, 2009.

Led by gains at CUNY institutions and
SUNY community colleges, public college students
represented 64 percent of the TAP FTE
recipients in 2008-09.

Likely a reflection of the economy, for the most part, the number of TAP recipients generally expanded in the public college sectors and declined in the nonpublic college sectors.

Tuition Assistance Program (TAP)
Recipients by Sector

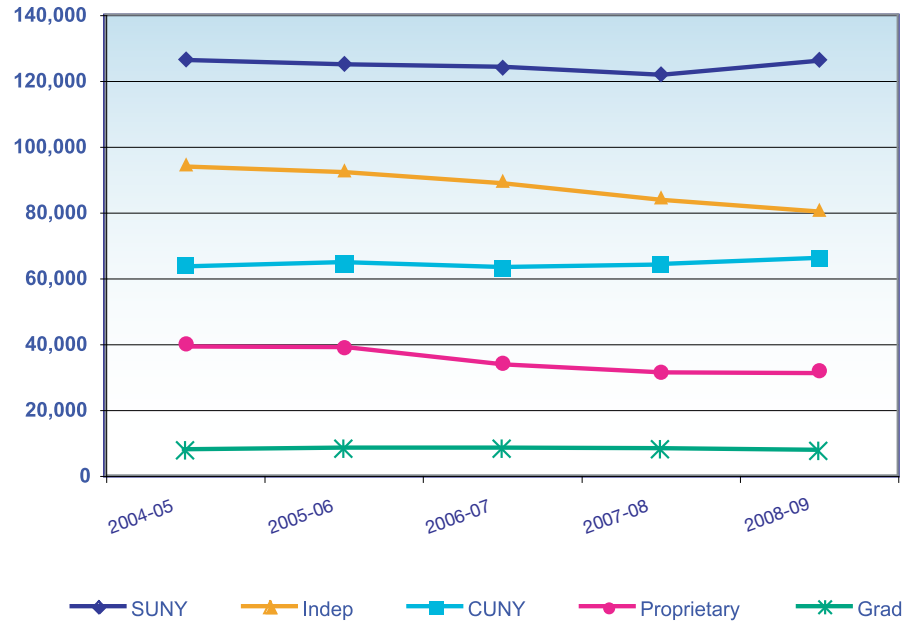


Table 9
Tuition Assistance Program Expenditures

by Level of Study and Type of Institution *

<u>Level of Study/Type of Institution</u>	<u>Academic Year (\$ thousands)</u>				<u>Estimated 2008-09</u>
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	
Undergraduate:					
City University					
Senior Colleges	\$130,545	\$132,118	\$129,837	\$129,221	\$132,500
Community Colleges	\$48,863	\$47,477	\$43,340	\$43,438	\$45,710
CUNY TOTAL	\$179,408	\$179,595	\$173,177	\$172,659	\$178,210
State University					
State Operated	\$166,339	\$166,416	\$165,167	\$159,344	\$169,540
Community Colleges	\$93,739	\$96,512	\$98,065	\$100,655	\$111,230
SUNY TOTAL	\$260,078	\$262,928	\$263,232	\$259,999	\$280,770
Independent Colleges	\$270,887	\$262,768	\$253,820	\$238,069	\$232,390
Proprietary Degree-Granting Institutions	\$147,406	\$141,799	\$123,019	\$111,981	\$108,350
Nondegree Business Schools	\$11,696	\$10,750	\$9,201	\$8,287	\$9,790
All Other Institutions	\$1,862	\$1,828	\$1,905	\$374	\$500
UNDERGRADUATE TOTAL	\$871,337	\$859,668	\$824,354	\$791,369	\$810,010
Graduate:					
City University	\$247	\$243	\$212	\$179	\$200
State University	\$1,110	\$1,138	\$1,140	\$1,095	\$1,050
Independent Colleges	\$1,736	\$1,795	\$1,783	\$1,605	\$1,740
GRADUATE TOTAL	\$3,093	\$3,176	\$3,135	\$2,879	\$2,990
GRAND TOTAL	\$874,430	\$862,844	\$827,489	\$794,248	\$813,000

* Data is as of September 21, 2009.

TAP provided \$813 million for students attending all college sectors in New York State, with the public college sector share rising from 55 percent to 57 percent this past year.

Table 10
Tuition Assistance Program Recipients

by Dependency Status and Sector *						
Academic Year						
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	Estimated <u>2008-09</u>	
					Number	% of Total
<u>Independent Students</u>						
<u>Sector</u>						
CUNY	23,789	22,576	19,441	18,340	18,082	4.8%
SUNY	33,132	32,699	31,246	29,776	30,794	8.2%
Independent	24,865	23,769	22,120	19,947	19,667	5.2%
Other **	25,718	24,247	21,289	18,998	18,867	5.0%
SUBTOTAL	107,504	103,291	94,096	87,061	87,410	23.3%
(as % of total)	27.2%	26.5%	24.9%	23.7%	23.3%	
<u>Dependent Students</u>						
CUNY	59,244	61,412	62,226	64,370	68,862	18.4%
SUNY	119,405	118,965	119,230	117,794	122,342	32.5%
Independent	85,746	83,535	81,584	78,552	77,497	20.7%
Other **	23,417	22,572	20,462	18,995	18,939	5.5%
SUBTOTAL	287,812	286,484	283,502	279,711	287,640	76.7%
(as % of total)	72.8%	73.5%	75.1%	76.3%	76.7%	
<u>All Students</u>						
CUNY	83,033	83,988	81,667	82,710	86,944	23.2%
SUNY	152,537	151,664	150,476	147,570	153,136	38.5%
Independent	110,611	107,304	103,704	98,499	97,164	25.9%
Other **	49,135	46,819	41,751	37,993	37,806	11.1%
TOTAL	395,316	389,775	377,598	366,772	375,050	100.0%

* Recipients are those who received at least one term award. Data is as of September 21, 2009.

** Includes degree and non-degree nursing and proprietary schools, other non-degree schools, and the Regents College.

The percentage of TAP recipients financially dependent on their parents remained just over three quarters, with SUNY dependent students still the largest single recipient category, of nearly one-third of all recipients.

Table 11
Aid for Part-Time Study (APTS) Program Recipients

	By Type of Institution				
	Academic Year				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
CUNY 4-Year	6,558	6,405	7,869	7,099	6,451
CUNY 2-Year	5,412	4,807	5,771	5,098	4,319
CUNY TOTAL	11,970	11,212	13,640	12,197	10,770
SUNY 4-Year	1,096	1,080	910	971	1,088
SUNY 2-Year	6,467	6,316	5,761	5,482	5,163
SUNY TOTAL	7,563	7,396	6,671	6,453	6,251
Independent Colleges	2,243	2,091	2,051	1,841	1,764
Degree Proprietary	295	349	386	402	366
GRAND TOTAL	22,071	21,048	22,748	20,893	19,151

More than 19,000 students received APTS awards,
 down slightly from last year,
 with CUNY enrolling 56 percent of awardees.

Table 12
Aid for Part-Time Study (APTS)
Actual Expenditures for Reimbursement of Awards

	Academic Year (\$ thousands)				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
CUNY 4-Year	\$2,326.8	\$2,230.8	\$2,483.2	\$2,377.9	\$1,948.9
CUNY 2-Year	\$1,956.3	\$1,786.9	\$1,849.3	\$1,779.3	\$1,485.7
CUNY TOTAL	\$4,283.1	\$4,017.7	\$4,332.5	\$4,157.2	\$3,434.6
SUNY 4-Year	\$1,143.4	\$1,050.2	\$990.8	\$1,085.4	\$1,247.4
SUNY 2-Year	\$5,034.9	\$5,018.4	\$4,818.4	\$4,805.8	\$4,449.8
SUNY TOTAL	\$6,178.3	\$6,068.6	\$5,809.2	\$5,891.2	\$5,697.2
Independent Colleges	\$2,144.4	\$1,913.3	\$1,886.3	\$1,669.6	\$1,586.7
Degree Proprietary	\$197.0	\$248.3	\$304.5	\$313.6	\$309.4
GRAND TOTAL	\$12,802.8	\$12,247.9	\$12,332.5	\$12,031.6	\$11,028.0

More than \$11 million
in APTS awards were
provided by HESC in 2008-09,
with public college students
receiving 83 percent
of the awards.

Table 13
Number of Scholarships and Awards

	Academic Year				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	Estimated <u>2008-09</u>
<u>Scholarships</u>					
NYS Memorial Scholarships for Families of Deceased Firefighters, Volunteer Firefighters, Police Officers, Peace Officers and Emergency Medical Service Workers	81	80	81	81	81
Regents Health Care Opportunity Scholarship	66	42	39	33	33
Regents Professional Opportunity Scholarship	496	391	459	442	375
Robert C. Byrd Honors Scholarships *	1,667	1,592	1,533	1,558	1,595
NYS World Trade Center Memorial Scholarship	200	206	316	377	475
NYS Volunteer Recruitment Service Scholarship	607	590	598	593	593
NYS Scholarships for Academic Excellence	17,204	16,992	16,459	16,800	16,839
Military Service Recognition Scholarship	4	9	11	14	17
Senator Patricia K. McGee Nursing Faculty Scholarship	0	31	28	50	58
Flight 587 Memorial Scholarship	0	15	15	16	22
NYS Math & Science Teaching Incentive Scholarship	0	0	163	236	266
New York Lottery - Leaders of Tomorrow Scholarship	0	0	0	0	3,359
SUBTOTAL	20,325	19,948	19,702	20,200	23,713
<u>Awards</u>					
NYS Aid for Part-Time Study	22,071	21,048	22,748	20,893	19,151
NYS Regents Awards for Children of Deceased and Disabled Veterans	525	411	427	392	415
Regents Physician Loan Forgiveness Program	80	80	80	80	78
Veterans Tuition Awards	618	836	1,121	1,217	2,107
Loan Forgiveness for Nursing Faculty	0	19	30	40	49
Loan Forgiveness for Licensed Social Workers	0	141	157	138	135
Loan Forgiveness for District Attorneys	0	0	456	422	389
SUBTOTAL	23,294	22,535	25,019	23,182	22,324
TOTAL	43,619	42,483	44,721	43,382	46,037

* 100 percent federally-funded program.

Reflecting a 73 percent increase in the enhancement of the Veterans Tuition Awards and implementation of the NY Lottery Leaders of Tomorrow Scholarship, more than 46,000 scholarships and other awards were provided by HESC, a 2,655 increase over the prior year.

Table 14
Amount of Scholarships and Awards

	Academic Year (\$ thousands)				Estimated 2008-09
	2004-05	2005-06	2006-07	2007-08	
<u>Scholarships</u>					
NYS Memorial Scholarships for Families of Deceased Firefighters, Volunteer Firefighters, Police Officers, Peace Officers and Emergency Medical Service Workers	\$955	\$982	\$963	\$950	\$920
Regents Health Care Opportunity Scholarship	\$650	\$415	\$380	\$330	\$325
Regents Professional Opportunity Scholarship	\$1,805	\$1,498	\$1,612	\$1,532	\$1,232
Robert C. Byrd Honors Scholarships *	\$2,479	\$2,361	\$2,257	\$2,294	\$2,339
NYS World Trade Center Memorial Scholarship	\$2,167	\$2,514	\$3,753	\$4,754	\$6,177
Volunteer Recruitment Service Scholarship	\$1,667	\$1,781	\$1,737	\$1,769	\$1,895
NYS Scholarships for Academic Excellence	\$12,568	\$12,415	\$12,093	\$11,910	\$11,842
Military Service Recognition Scholarship	\$38	\$77	\$126	\$185	\$198
Senator Patricia K. McGee Nursing Faculty Scholarship	\$0	\$372	\$366	\$640	\$885
Flight 587 Memorial Scholarship	\$0	\$147	\$137	\$198	\$266
NYS Math & Science Teaching Incentive Scholarship	\$0	\$0	\$702	\$1,014	\$1,240
New York Lottery - Leaders of Tomorrow Scholarship	\$0	\$0	\$0	\$0	\$3,605
SUBTOTAL	\$22,329	\$22,562	\$24,126	\$25,576	\$30,924
<u>Awards</u>					
NYS Aid for Part-Time Study	\$12,803	\$12,248	\$12,332	\$12,032	\$11,028
NYS Regents Awards for Children of Deceased and Disabled Veterans	\$209	\$180	\$170	\$150	\$158
Regents Physician Loan Forgiveness Program	\$800	\$800	\$800	\$800	\$780
Veterans Tuition Awards	\$863	\$1,484	\$1,748	\$1,838	\$6,349
Loan Forgiveness for Nursing Faculty	\$0	\$158	\$187	\$275	\$334
Loan Forgiveness for Licensed Social Workers	\$0	\$803	\$992	\$859	\$810
Loan Forgiveness for District Attorneys	\$0	\$0	\$1,541	\$1,425	\$1,316
SUBTOTAL	\$14,675	\$15,673	\$17,770	\$17,379	\$20,775
TOTAL	\$37,004	\$38,235	\$41,896	\$42,955	\$51,699

* 100 percent federally-funded program.

The value of scholarships and other awards made by HESC jumped by 20 percent, led by 245 percent increase in Veterans Tuition Awards, from \$1.8 million to \$6.3 million.

Updated 12/17/09

Table 15
Loans, Grants and Scholarships Administered by HESC (1)

	State Fiscal Year (\$ thousands)				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<u>Loans</u>					
Federal Consolidation Loans	\$3,545,106	\$4,734,088	\$1,626,774	\$467,727	\$23,851
Federal PLUS Loans	\$465,490	\$569,451	\$685,798	\$708,323	\$789,349
Federal Stafford Loans	\$1,128,593	\$1,134,971	\$1,226,648	\$1,373,761	\$1,432,096
Unsubsidized Federal Stafford Loans	\$959,398	\$1,003,352	\$1,055,922	\$1,128,986	\$1,485,023
TOTAL	\$6,098,587	\$7,441,862	\$4,595,142	\$3,678,797	\$3,730,319
Percent Change from Prior Year	23.0%	22.0%	-38.3%	-19.9%	1.4%
	Academic Year (\$ thousands)				
<u>Grants and Scholarships</u>					
Tuition Assistance	\$874,430	\$862,844	\$827,489	\$794,248	\$813,000
Other Grants and Scholarships	\$37,004	\$38,235	\$41,896	\$42,955	\$51,699
TOTAL	\$911,434	\$901,079	\$869,385	\$837,203	\$864,699
Percent Change from Prior Year	3.2%	-1.1%	-3.5%	-3.7%	3.3%
GRAND TOTAL	\$7,010,021	\$8,342,941	\$5,464,527	\$4,513,797	\$4,592,482
Percent Change from Prior Year	20.0%	19.0%	-34.5%	-17.4%	1.7%

* Loan data is as of March 31, 2009; grant and scholarship data is as of September 21, 2009.

HESC provided nearly \$4.6 billion in financial aid in 2008-09, a growth of \$79 million over the prior year, as every aid category except consolidation loans showed increases.

Table 16
Applications Received and Processed

	For Each Academic Year				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	Estimated <u>2008-09</u>
<u>Received and Processed</u>					
Federal Consolidation Loans	157,000	190,000	75,000	12,000	400
Federal PLUS Loans	41,000	47,000	52,000	52,500	55,000
Federal Stafford Loans *	506,000	505,000	530,000	551,000	660,000
LOAN TOTAL	704,000	742,000	657,000	615,500	665,900
Percent Change from Prior Year	14.8%	5.4%	-11.5%	-6.3%	8.2%
GRANT AND SCHOLARSHIP TOTAL					
	622,000	613,000	610,000	616,000	646,000
Percent Change from Prior Year	2.5%	-1.4%	-0.5%	1.0%	4.9%

* Includes Subsidized and Unsubsidized Federal Stafford Loans.

HESC received and processed more than 1.3 million student aid applications in 2008-09, an increase of 80,400. Excluding consolidation loans, the number received and processed increased by 8 percent.

Table 17
New York's 529 College Savings Program

<u>Calendar Year *</u>	<u>Account Volume</u>	<u>Number of Accounts</u>	<u>Average Balance</u>
2004	\$3,448,414,459	345,231	\$9,989
2005	\$4,603,843,701	413,704	\$11,128
2006	\$6,256,554,684	486,653	\$12,856
2007	\$7,911,608,006	560,303	\$14,120
2008	\$7,008,036,857	609,269	\$11,502
2009	\$8,217,027,712	626,842	\$13,108

New York's 529 College Savings Program includes two separate 529 plans with Program Manager, Upromise Investments, Inc: the *Direct Plan*, with investment management and offerings through the Vanguard Group; and, the *Advisor Plan*, with investment management and offerings through Bank of America's Columbia Management Group.

With its federal and state tax advantages and flexibility, New York's 529 College Savings Program, one of the best nationwide, is helping to make higher education possible for future college students.

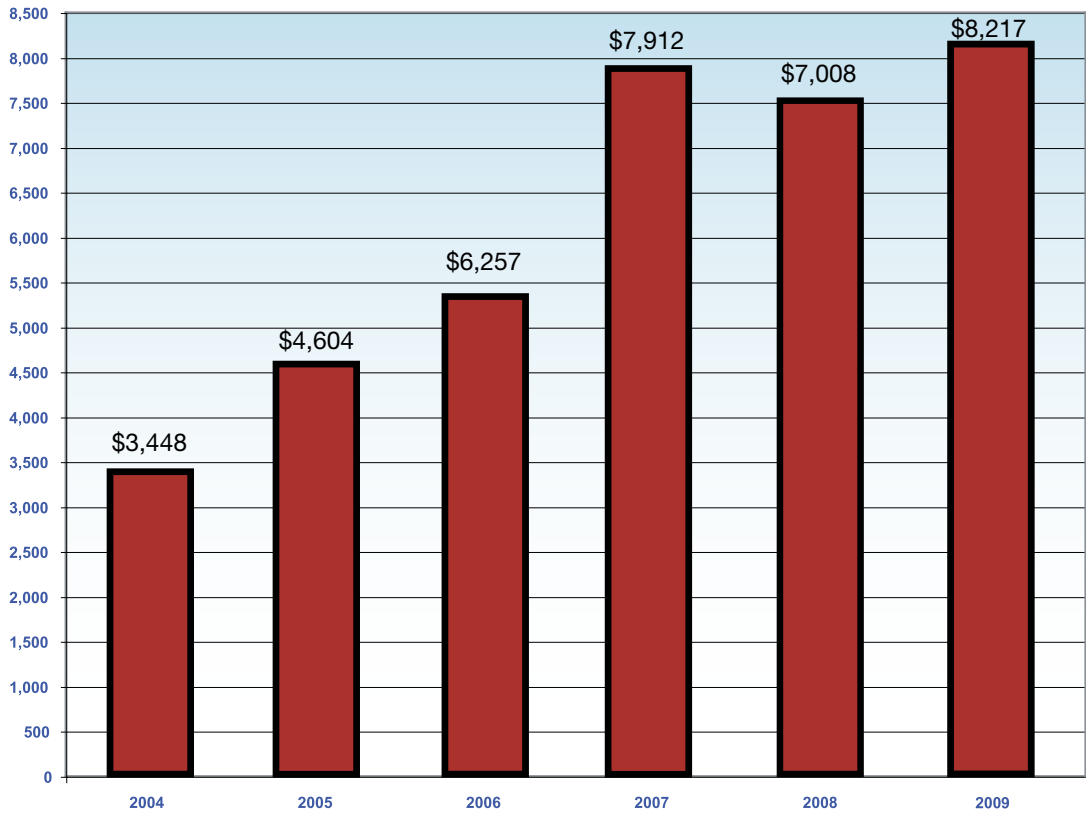
New York's 529 College Savings Program has teamed with Upromise Rewards, a service that returns a percentage of everyday purchases at America's leading companies into money for college. Since December, 2003, more than \$35 million has been transferred into 529 accounts.

* Amounts represent year-end figures as of Dec. 31 of each year, except 2009 amounts which are as of Aug. 1, 2009.

The program was launched on Sept. 28, 1998.

The NY 529 College Savings Plan, co-administered by HESC and the NYS Comptroller, added nearly 17,600 accounts in only the first 8 months of the 2009 calendar year.

College Savings Program Account Volume (\$ millions)



Over the last five and one-half years, the value of the NY 529 College Savings Program has grown by 138 percent.

Table 18
New York's 529 College Savings Program Qualified Withdrawals

<u>Calendar Year *</u>	<u>Program Amount</u>
2002	\$40,496,459
2003	\$58,461,787
2004	\$108,675,174
2005	\$167,104,719
2006	\$235,593,949
2007	\$316,586,669
2008	\$372,873,898
2009	\$86,946,416
Total	\$1,386,739,071

* 2002 through 2008 are year-end figures.
 2009 is the amount as of August 1, 2009.

**Nearly \$1.4 billion in
 NY529 College Savings Program funds
 have been used for college expenses
 in just the last seven and one-half years.**

Table 19
GEAR UP⁽¹⁾ Students in New York — 2008-09

Data is from September 1, 2008 through August 31, 2009

<u>State Sites- NYGEAR UP - HESC</u>	<u>Students Served</u>
Albany City School District	860
CUNY Brooklyn	778
Jamestown Community College	593
Long Island University - Brooklyn Campus	414
New Rochelle City School District	368
Rochester Institute of Technology	867
Rome City School Districts	501
St. John's University	287
SUNY Cobleskill	516
Syracuse University	1,541
Yonkers City Schools	990
Total Students served by NYGEAR UP	7,715
<u>Federal GEAR UP Sites</u>	
Research Foundation SUNY at Binghamton	900
CUNY - Lehman College	8,800
Dowling College	125
St. John's University	1,160
SUNY Cobleskill	562
CUNY- MGI GEAR UP	1,000
Discovery Insitute at CUNY College of Staten Island	1,080
Syracuse University	3,000
Total Students served by Federal NYGEAR UP	16,627
GRAND TOTAL - ALL GEAR UP STUDENTS IN NEW YORK	24,342

Data from NYGEAR UP 2008-2009 Annual Performance Report

* Gaining Early Awareness and Readiness for Undergraduate Programs

New York's GEAR UP program, administered by HESC, is assisting more than 24,300 at-risk students throughout the state through sub-grants and support programs.





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