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## **STATEMENT BY NYU SPOKESMAN JOHN BECKMAN ON AGREEMENT WITH NYS ATTORNEY GENERAL**

“When it comes to college financial aid, we all agree that financial aid offices should treat students fairly, and that their work should be conducted in accordance with the highest ethical standards. That is why NYU signed on to the Attorney General’s code of conduct.

“At NYU, we have and will continue to select our private lender through a competitive process. This has been a successful approach, achieving some of the lowest private student loan pricing in the nation and ensuring those funds, at that pricing, have been made available to most – not a small minority – of our students and families.

“Citibank won that competition against eight other lenders in 2004 by offering the best rates to the greatest number of students. But the Attorney General indicated that he has concerns about one aspect of our private loan program with them, in which a portion of Citibank’s private loan profits – 0.25% of the value of certain private loans – were given to NYU and we used them to give additional financial aid to our students. We believed it made good sense to use money that would otherwise go into Citibank’s pockets to give more financial aid to NYU students.

“While we and the Attorney General’s Office do not see eye-to-eye on this, we were able to agree on an industry-wide Code of Conduct, particularly as many of recommendations in the Code are practices in which NYU already engages. Under that agreement, we will no longer accept a portion of Citibank’s profits for financial aid for our students.

“By the key measure – whether we have connected the greatest number of our students with private loans with the lowest possible rates – we have been very successful. Embracing this code of conduct compounds that achievement by ensuring the trust that is so important between families and the Financial Aid Office.”

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