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HESAA Board Approves Two Actions to Assist NJCLASS Borrowers

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Trenton, NJ – The Board of the NJ Higher Education Student Assistance Authority (HESAA) met for its quarterly meeting on Wednesday, April 19 at 10 am, and approved two actions to assist NJCLASS borrowers.

As a follow up to its October 2016 actions, the HESAA Board voted to approve Resolution 07:17, Adoption of Amendments to Regulations Governing Discharge of New Jersey College Loans to Assist State Students (NJCLASS), N.J.A.C. 9A:10-6.17, which will now be submitted for publication in The New Jersey Register.

The amendment will implement P.L. 2016 c.71, the forgiveness law enacted in December 2016, by allowing for the discharge of the loan obligation for all parties to an NJCLASS loan in the event of the death or total and permanent disability of the student beneficiary.

Once the amendment is effective in May, HESAA will notify NJCLASS borrowers of these changes. In addition, any previously submitted application for loan forgiveness due to a death or total and permanent disability that was denied because the laws and regulations at the time did not allow forgiveness, will be reconsidered by HESAA under the new law and regulations, without the need for the applicant to take any further action.

In addition, as part of the 2017 Student Loan Financing, HESAA's Board approved a new Repayment Assistance Program (RAP). To better assist families who experience a financial hardship for a period of time during the term of their loans, HESAA is initiating RAP for NJCLASS borrowers effective with loans for academic year 2017-2018.

RAP is unlike other deferment and forbearance programs because it offers the borrowers true debt relief. During the RAP enrollment period, all payments received are applied 100% to the principal and interest will be paid by HESAA. The RAP monthly payments are determined based on 10% of the disposable income of all parties on the loan. At the end of the RAP period, the regular monthly payment amount is recalculated based on the remaining term and principal balance of the loan. This program will be subject to the availability of funds, which will be limited for each academic year.

Actions taken by the Board are not final until the end of the 10-day gubernatorial veto period.

The complete minutes from the Board meeting will be available to the public and posted [HERE](#).



From Article at [GetOutOfDebt.org](http://www.getoutofdebt.org)