

## Compare 2017-18 State of New Jersey NJCLASS vs. Federal PLUS

NJCLASS loans are supplemental loans and are not comparable to the federal direct subsidized & unsubsidized student loan program

NJCLASS covers up to the cost of attendance less all other aid, including subsidized & unsubsidized federal direct student loans

Loan Type	NJCLASS 10 Year- Fixed Rate Loan <sup>1</sup> Click to Apply	NJCLASS 15 Year- Fixed Rate Loan <sup>1</sup> Click to Apply	NJCLASS 15 Year- Fixed Rate Loan <sup>1</sup> Click to Apply	NJCLASS 20 Year- Fixed Rate Loan <sup>1</sup> Click to Apply	Federal PLUS Click to Apply	Federal PLUS Loan Click to Apply
Who Can be a Party to the Loan	The student or parent is the borrower. A parent, relative or other US Citizen or eligible Non-Citizen may co-sign the loan.	The student or parent is the borrower. A parent, relative or other US Citizen or eligible Non-Citizen may co-sign the loan.	The student or parent is the borrower. A parent, relative or other US Citizen or eligible Non-Citizen may co-sign the loan.	The student or parent is the borrower. A parent, relative or other US Citizen or eligible Non-Citizen may co-sign the loan.	Parent Only	Parent Only
Repayment Option	Immediate repayment of principal & interest	Immediate repayment of principal & interest	Interest only while in school	Full deferment while in school	Immediate repayment of principal & interest (Other repayment options available)	Full deferment request
Loan Type	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
Sample Loan Amount Requested – can borrow up to cost of attendance – minus other aid <sup>4</sup>	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
Total Amount Borrowed (Including Fees)	\$16,480	\$16,480	\$16,480	\$16,480	\$16,682.24	\$16,682.24
Interest Rate/APR	4.48%/5.66%	5.19% <sup>1</sup> /6.05%	5.19% <sup>1</sup> /6.26%	7.15% <sup>1</sup> /8.36%	7.00% <sup>2</sup> /7.945%	7.00% <sup>2</sup> /7.945%
Loan Fee	3.00%	3.00%	3.00%	3.00%	4.264% <sup>3</sup>	4.264% <sup>3</sup>
Years in Repayment	10 (120 months)	15 (180 months)	15 (180 months)	20 (240 months)	10 (120 months)	20 (240 months)
Payment while in School (Assuming One Loan Only) <sup>5</sup>	\$176.32	\$136.42	\$71.75	\$0.00	\$193.69	\$0.00
Payment when out of School (Assuming One Loan Only) <sup>5</sup>	\$176.32	\$136.42	\$166.38	\$194.12	\$193.69	\$138.00
Total finance charges & administrative fee Loan (Assuming One Loan Only)	\$4,009	\$7,695	\$8,662	\$20,876	\$6,561.15	\$16,438.00
Total Cost of Loan	\$20,601	\$24,175	\$25,142	\$37,356	\$23,243.39	\$33,120.00
Estimated cost of borrowing over 4 years, at 16,000 per year, assuming that the interest rate is the same from year to year.	\$705.28 per month \$82,432.00 over life of loans	\$545.68 per month \$96,700 over life of loans	\$665.52 per month \$100,568 over life of loans	\$776.48 per month when out-of-college \$149,424 over life of loan	\$774.76 per month \$92,973.56 over life of loans	\$552.00 per month when out-of-school \$132,480 over life of loan
Repayment Relief Options Including Income Contingent Repayment Plans	<a href="http://www.hesaa.org/Pages/NJCLASSDefermentOptions.aspx">Relief Options http://www.hesaa.org/Pages/NJCLASSDefermentOptions.aspx</a>				<a href="https://studentaid.ed.gov/sa/repay-loans/deferment-forbearance">Deferment/Forbearance Options https://studentaid.ed.gov/sa/repay-loans/deferment-forbearance</a>	
	<a href="http://www.hesaa.org/Pages/RAPInfo.aspx">Repayment Assistance Program</a> <a href="http://www.hesaa.org/Pages/RAPInfo.aspx">http://www.hesaa.org/Pages/RAPInfo.aspx</a> Loan applications received on or after June 1, 2017, and for loan applications received prior to June 1, 2017 that are used for academic terms that begin on or after August 1, 2017.				<a href="https://studentaid.ed.gov/sa/repay-loans/understand/plans">Federal Repayment Plans https://studentaid.ed.gov/sa/repay-loans/understand/plans</a>	
Average Default Rate	6.85% <sup>6</sup>				<a href="http://www.nasfaa.org/news-item/1359/ED-Releases-Cohort-Default-Rate-Data-For-PLUS-Loans">http://www.nasfaa.org/news-item/1359/ED-Releases-Cohort-Default-Rate-Data-For-PLUS-Loans</a>	
Average # of Administrative Wage Garnishments	For FY 2017, 132 AWG orders were sent to employers.				Data Not Available	
Percent of Deferment and Forbearance Relief Granted	Data being collected for 2019				Data Not Available	
Rehabilitation Relief	Federal law does not provide for the rehabilitation of credit for non-federal student loans.				Yes - If no legal judgement was issued/granted	
Average # of Law Collection Lawsuits	Data being collected for 2019				Data Not Available	

<sup>1</sup>Fixed Interest Rate Only - NJCLASS reduces the interest rate during school and for the first 12 or 48 monthly payments of principal and interest based on the repayment option you select. This reduction assists borrowers in repaying more principal during these early months when the loan balance is highest. The result is a lower overall cost to the borrower. In the 13th or 49th month of principal and interest repayment, your interest rate increases by 0.75% and stays at that rate for the remainder of the loan.

<sup>2</sup> For Direct PLUS Loans first disbursed on or after July 1, 2017, and before July 1, 2018, the interest rate is 7%

<sup>3</sup>For loans disbursed on or after October 1, 2017 and before October 1, 2018

<sup>4</sup>The average NJCLASS loan amount is \$16,000. To see the monthly payment amount and total amount for other loan amounts at sample interest rates ranging from 4.00% to 17.50% see the Student Loan Guide [http://www.hesaa.org/Documents/Student\\_Loan\\_Guide.pdf](http://www.hesaa.org/Documents/Student_Loan_Guide.pdf)

<sup>5</sup>To calculate the in-school and out-of-school payment amounts for other NJCLASS loan amounts see the NJCLASS loan calculator <https://www.hesaa.org/oNJCLASS/jsp/world/amortizationCalculator.jsp>

<sup>6</sup> The average default rate is determined as the percentage of loans that have been placed in a defaulted status, divided by the original total amount of loans disbursed for currently outstanding trusts.