

# HIARP

Household Income Affordable  
Repayment Plan

## Questions & Answers

1. What is HIARP?

*HIARP is the Household Income Affordable Repayment Plan, a longer term repayment plan available for Standard NJCLASS loans . HIARP provides payment relief when all parties to Standard NJCLASS loan are facing continued financial hardship after exhausting their eligibility for the Repayment Assistance Program (RAP). Subject to the availability of funds and authorization the monthly payment amount on an eligible Standard NJCLASS loan shall be reduced to 15% of the total of the household income of all of the parties to the loan that exceeds 150% of the federal poverty guidelines for their family size, with a minimum monthly payment of \$25. Upon qualification for admittance into HIARP the repayment term for loans in HIARP will be extended to 25 years from the date of origination and any remaining balance at the end of 25 years will be forgiven, regardless of whether the loan remains eligible for reduced monthly payments during the remainder of such extended term. Interest continues to accrue on the loans in HIARP at the original rate, and annual certification and proof of need is required to remain eligible for reduced payments. If the parties no longer qualify for reduced payments, the repayment term shall remain at 25 years and the monthly repayment amount shall revert to the Standard Monthly Payment. Unpaid interest shall be capitalized upon return to the Standard Monthly Payment.*

2. What is the Standard Monthly Payment?

*The Standard Monthly Repayment is the amount determined when parties enter HIARP by capitalizing all unpaid interest and amortizing the remaining loan balance over the remaining original loan term.*

3. What loans are eligible for HIARP?

*Subject to the availability of funds, Standard NJCLASS loans are eligible for HIARP as long as they are not in default and have exhausted RAP eligibility. NJCLASS Graduate/Professional loans, Refi+ and Consolidation loans are not eligible for participation in HIARP.*

4. Could some of my loans be eligible for HIARP when others are not?

*HIARP eligibility is tied to a specific loan. Standard NJCLASS loans are eligible for HIARP. NJCLASS Graduate/Professional loans, Refi+ and Consolidation loans are not eligible for HIARP. In addition, the determination of HIARP eligibility is based on the household income of all parties to the specific loan. If you have multiple Standard NJCLASS loans with different cosigners, or from different years, one loan may be eligible while another is not.*

*Example: Jessie cosigns loans for children Casey and Sam. The payment amount for each loan is \$400 per month. Immediately following graduation Casey moves out of Jessie's household and starts working. Casey's household size is 1 and the household income is \$3,000 per month. Sam does not get a job and remains part of Jessie's household. Jessie's household size is 2 and her household's income is \$4,000 per month.*

*Fifteen percent (15%) of the total of the household income of all of the parties to Sam's loan that exceeds 150% of the poverty guidelines for a household size of 2 is \$291. Since this amount is less than the \$400 NJCLASS loan payment, Sam's loan is eligible for HIARP.*

*Fifteen percent (15%) of the total of the household income of all of the parties to Casey's loan that exceeds 150% of the poverty guidelines for household sizes of 1 and 2 combined (Casey and Jessie) equals \$513. Since the HIARP payment would be higher than the \$400 NJCLASS payment, Casey's loan is not eligible for HIARP.*

*Note: The above calculations are for illustrative purposes only and are based upon the HHS poverty guidelines for 2018.*

5. What is the 150% of the federal poverty guideline?

*The current 150% of the U.S. Health and Human Services Department (HHS) Poverty Guidelines can be found at:*

<http://www.uscourts.gov/sites/default/files/poverty-guidelines.pdf>

6. Whose income is included in determining the HIARP payment?

*The income of all parties to the loan, as well as the income of their spouses or domestic partners is included in determining the HIARP payment.*

7. How is my family size determined?

*Family size is the total number of dependents claimed by all of the parties to the loan, and their spouses or domestic parties, on their most recent tax returns, whether taxes are filed jointly or separately. Family size includes any child or person that lives with the party and receives more than half of their support from the party. Support includes: money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment for college costs.*

8. I am eligible for income based repayment for my federal loans; am I automatically eligible for HIARP?

*Eligibility for federal income based repayment (IBR) does not make you automatically eligible for HIARP. You must submit a HIARP application with the required documentation to determine if you are eligible for HIARP.*

9. What happens if I miss a HIARP payment?

*When a HIARP payment is 30 days late the loan will be reported to the credit reporting agencies as 30 days delinquent. If the delinquency reaches 60 days, in addition to being reported as delinquent the loan will be removed from the HIARP and will be returned to the standard repayment plan and any outstanding interest capitalized based on your promissory note. The loan will continue to be reported as delinquent until the payments are brought current or the loan defaults, at which time it will be reported as defaulted.*

10. Is my maturity date for my Standard NJCLASS loan extended when the loan is admitted to HIARP?

*The repayment term is extended to 25 years from the date of origination.*

11. Do I need to use all the RAP eligibility for a Standard NJCLASS loan before I can utilize HIARP for a loan?

*Yes.*

12. Is my Standard NJCLASS loan forgiven at the end of the HIARP period?

*Any remaining balance at the end of 25 years will be forgiven. Amounts forgiven after 25 years may be taxable.*

13. What happens if any party to the loan do not submit my annual income certification, or our income increases?

*Your payments return to the Standard Monthly Payment (see question 2). The maturity date that was set when the loan was placed into HIARP is not changed.*

14. Am I eligible for new NJCLASS loans while enrolled in HIARP?

*If you are a party to any loan that is enrolled in HIARP, you are not eligible to take out a subsequent NJCLASS loan, and any pending NJCLASS disbursements will be cancelled. If you were the student only, and not a party to the loan that is enrolled in HIARP, you remain eligible for NJCLASS loans.*

15. If my cosigner does not want to fill out the HIARP application, can I still participate in the program?

*To participate in HIARP all parties to the loan must fill out the HIARP application and provide the requested documentation. HIARP eligibility is based on the household income of all parties to the loan because all parties to the loan are responsible to make Standard NJCLASS payments.*

16. How do I apply for HIARP?

*When funding is available, the application for HIARP can be found on HESAA's website at [www.njclass.org](http://www.njclass.org). In order to be considered for participation the completed application must be signed by all parties to the loan and all requested documentation must be submitted with the application. Upon acceptance into the HIARP program, HESAA will send families a HIARP agreement to sign. The signed agreement must be returned to HESAA within 21 days of receipt. Families should continue making their regular NJCLASS payments until they are advised to begin making the lower HIARP payments.*