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GABRIELLE CHARETTE, ESQ.
Executive Director

RE: Important Changes to Terms & Conditions of Your NJCLASS Loan

Recently enacted legislation (P.L. 2016, c. 71) changes some of the terms and conditions of your outstanding NJCLASS loan. These changes are important and are effective immediately. An addendum to your NJCLASS Terms, Conditions and Definitions is provided on the reverse side of this letter and should be retained for future reference with your other NJCLASS documents and disclosures. The provisions of P.L. 2016, c. 71 are summarized below.

Death of Student Borrower - If a student borrower dies, the student and his/her parent or guardian cosigner are not required to pay the outstanding balance on any NJCLASS loan. A certified copy of the death certificate must be provided to the Authority within 120 days of the student borrower's death.

Total and Permanent Disability of Student Borrower - If a student borrower becomes totally and permanently disabled and the student is approved for discharge of his/her NJCLASS repayment obligation, his/her parent or guardian cosigner are not required to pay the outstanding balance on any NJCLASS loan. A licensed physician who is a doctor of medicine or osteopathy and is legally authorized to practice must certify in writing that the student borrower is totally and permanently disabled.

Temporary Total Disability of Student Borrower - If a student borrower becomes temporarily totally disabled, a deferment of both principal and interest will be granted. A licensed physician who is a doctor of medicine or osteopathy and is legally authorized to practice must certify in writing that the student borrower is temporarily totally disabled. During this period of deferment, interest will not accrue.

If you have any questions regarding the content of this letter or any term or condition of your NJCLASS loan, please contact Servicing and Collections via telephone at 800-792-8670 or via email at servicingandcollections@hesaa.org.

Sincerely,

Gabrielle Charette, Esq.
Executive Director

*****If you have filed for bankruptcy, please note this is not an attempt to collect your loan.*****

Addendum to NJCLASS Terms, Conditions and Definitions, As of December 5, 2016

This Addendum updates the NJCLASS Terms, Conditions and Definitions pursuant to P.L.2016, c 71. You should review this information carefully and keep it with your copy of your Promissory Note, Terms, Conditions and Definitions and Disclosures. Any information in the NJCLASS Terms, Conditions and Definitions that is inconsistent with the information provided in this Addendum is superseded by the information in this Addendum.

Death or Disability: If your promissory note has a section titled Death and Disability or a section titled Obligation to Pay Survives Death or Disability, the paragraph below replaces that section in the promissory note. If your promissory note has a section titled "Death" and a section titled "Total and Permanent Disability" these sections are combined and replaced by the paragraph below. If your promissory note does not contain any provision regarding death or disability, the paragraph below is added.

If any party to the loan other than the student borrower dies or becomes permanently disabled while any amount due under this Note remains unpaid, the other borrowers/cosigners to this Note will remain obligated to repay this Note in full for promissory notes dated 1994 or later. If there are no other obligors on this Note, the unpaid balance is forgiven upon notification and submission of acceptable proof in accordance with N.J.A.C 9A:10-6.17. I understand that if the student borrower dies or becomes totally and permanently disabled, and if the student borrower's parent or guardian cosigned the loan, the student borrower and parent/guardian's obligation on the loan is discharged. Applications for discharge due to the total and permanent disability of the student borrower must include the Authority's application form and a written statement from a physician who is a doctor of medicine or osteopathy and is legally authorized to practice, certifying that the student borrower is totally and permanently disabled. HESAA reserves the right to make the final determination of any loan discharge request on the basis of a total and permanent disability. For applications for discharge due to the death of the student borrower, applicants must submit a certified copy of the death certificate within 120 days of the student borrower's death along with the Authority's application form.

Deferments: The following sentence is added to the end of this section of your promissory note.
Eligible student borrowers who are approved for a deferment due to temporary total disability shall be granted a deferment of payment of loan principal, and interest shall not accrue during the period of deferment.

Interest: The following sentence is added to the end of this section of your promissory note.
Interest will not accrue during approved periods of temporary total disability for eligible student borrower.

Temporarily totally disabled: This definition is added to all promissory notes.

Temporarily totally disabled as used for an eligible student borrower means that the eligible student borrower is unable to work and earn money or attend school during the period needed to recover from an injury or illness. An eligible student borrower shall be considered temporarily totally disabled even if the student borrower continues to receive an equal or greater amount of income from the source of income that was used to meet the minimum income requirements at the time the loan was approved. For all other parties to the loan, temporarily totally disabled means that an individual is unable to work and earn money or attend school during a period needed to recover from injury or illness.

Totally and permanently disabled: This definition is added to all promissory notes.

Totally and permanently disabled as used for the student borrower means the condition of a student borrower who is unable to work and earn money or attend school because of an injury or illness that is expected to continue indefinitely or result in death. A student borrower shall be considered totally and permanently disabled even if the student borrower continues to receive an equal or greater amount of income from the source of income that was used to meet the minimum income requirements at the time the loan was approved. For all other parties to the loan, totally and permanently disabled means the condition of any individual who is unable to work and earn money or attend school because of an injury or illness that is expected to continue indefinitely or result in death. An individual is not considered "totally and permanently disabled" if he or she continues to receive an equal or greater amount of income from the source of income that was used to meet the minimum income requirements at the time the loan was approved.