



# COVID-19 Resource Guide

The New Jersey Higher Education Student Assistance Authority (HESAA) has options available to support NJCLASS loan borrowers as they deal with the impact of the COVID-19 pandemic.

## COVID-19 Related Questions and Answers about NJCLASS Loans

HESAA remains committed to supporting all borrowers. For more information on the policies described below, please consult the Questions and Answers for NJCLASS borrowers, beginning on page 2, which includes answers to frequently asked questions. For questions about your specific loans/account, call us at (609) 584-4480 or email us at [servicingandcollections@hesaa.org](mailto:servicingandcollections@hesaa.org).

## Never a Late Fee

HESAA has never charged its borrowers a late fee. HESAA works with borrowers whose financial situations require them to take a few extra days to pay, and never charges fees for a late payment.

## Repayment Relief Options

For borrowers struggling to make a monthly payment, several relief options are available. For those who are unemployed and those experiencing temporary total disability, HESAA offers two key options:

- Temporary Total Disability: Click [Here](#) for the Application
- Unemployment: Click [Here](#) for the Application

A third relief option, Financial Hardship, is also available to those facing extreme difficulties. In light of the impact of COVID-19, this option offers flexibility for borrowers struggling to make payments for reasons other than their own unemployment or illness. Please complete the application in its entirety and use the blank space provided on page 5 to explain the circumstances of your financial hardship:

- Financial Hardship: Click [Here](#) for the Application

## Suspension of New Wage Garnishments

Effective March 16, 2020, HESAA suspended the initiation of any new wage garnishments. Borrowers with a pre-existing wage garnishment order can request a refund of funds collected during the state health emergency. To find out if you are eligible, call us at (609) 584-4480 or email us at [servicingandcollections@hesaa.org](mailto:servicingandcollections@hesaa.org)

## Credit Report Protection

HESAA is following reporting standards issued by the credit bureaus to report loans each month. In recognition of the economic impact of the pandemic emergency, credit bureaus are accepting reports of payment delinquencies designated with a “declared disaster” code, which the credit bureau modelers treat as neutral in calculating individuals’ credit scores. In addition, HESAA continues to report NJCLASS loans as current while the loans are enrolled in an approved payment relief program.

To learn how HESAA is supporting Grants & Scholarship recipients, click [here](#).

# Questions and Answers

## Q. I am having trouble making my NJCLASS loan payment due to the impacts of COVID-19. What can I do?

A. If you have experienced an interruption in your ability to repay your NJCLASS loan due to the COVID-19 crisis and the resulting disruption to the economy, HESAA has several options available to assist you. If you are ill, unemployed, or experiencing some other type of financial hardship, you may apply for one of the following relief options:

- Temporary Total Disability: Click [Here](#) for the Application
- Unemployment: Click [Here](#) for the Application
- Financial Hardship: Click [Here](#) for the Application

When applying for relief due to your own illness (**temporary total disability**), please provide medical documentation as noted on the application.

When applying for relief due to **unemployment**, please provide documentation of your claim for unemployment insurance (UI) benefits. During this emergency, as UI work search requirements are suspended, you are not required to provide evidence of your efforts to look for a new job to receive NJCLASS loan repayment relief either.

When applying for relief due to **financial hardship**, please use the blank space on page 5 of the application to provide a statement explaining how the impact of the COVID-19 virus caused your financial hardship. HESAA will evaluate these applications with greater flexibility to consider the effects of the pandemic on your economic circumstances.

These relief options provide up to six (6) months of deferred principal payment relief allowing you to make lower interest-only payments, which will keep your loan balance from increasing.

Depending on your situation you may be eligible to defer all monthly payments on your NJCLASS loan, both principal and interest, during the months of approved relief. In these cases, any interest that accrues during the relief period is capitalized (added to the balance of the loan after the relief period ends).

The unemployment and financial hardship relief applications can be completed online. When the form is completely filled out, press the “Submit” button to send it directly to HESAA. Our staff will contact you if we need further information to process your application. Questions about relief options should be sent to [servicingandcollections@hesaa.org](mailto:servicingandcollections@hesaa.org).

**Q. Does interest accrue during approved relief periods?**

A. Yes, interest will continue to accrue on your NJCLASS loan during an approved relief period. Please note that your credit report will reflect that you are current on your NJCLASS student loans throughout an approved relief period.

In some cases, you may be eligible to defer both principal and interest payments on your NJCLASS loan. In these cases, any interest that accrues during the relief period is capitalized (added to the balance of the loan after the relief period ends).

Questions about relief options should be sent to [servicingandcollections@hesaa.org](mailto:servicingandcollections@hesaa.org).

**Q. Will my payment amount increase after the relief period?**

A. Your payment amount may increase at the end of the relief period depending on how much was deferred (principal and interest or principal only) during your relief period. When the relief period ends, monthly payments are recalculated based on the remaining balance and original repayment terms.

**Q. Can my relief period be extended?**

A. If eligible, you will be approved for an initial six-month relief period. Based on your loan terms and any prior relief you may have received, relief may be extended for an additional six-month period.

Additionally you may be eligible for HESAA’s Repayment Assistance Program (RAP), which offers up to two (2) years of reduced monthly payments with calculated affordability based on the incomes of all the parties to your NJCLASS loan. You could also be eligible for longer-term relief through the Household Income Affordable Repayment Plan (HIARP).

Click [here](#) to learn more about eligibility and to access the applications for RAP and HIARP

**Q. How is HESAA reporting on my loan payment status to credit bureaus during the COVID-19 state of emergency?**

A. As long as your NJCLASS loan remains in an approved payment relief option, HESAA will continue to report your account as current. HESAA has always worked with borrowers to avoid placing their loan repayment in default status whenever possible.

**Q. I recently lost my job but I have a co-signer on my NJCLASS loan who is still working; or, I am still working but my co-signer has been financially impacted by COVID-19. Am I still eligible for payment relief, and do I need to have my co-signer apply for relief as well?**

A. Only one borrower or co-signer needs to apply for payment relief due to unemployment or financial hardship, regardless of a co-signer’s current situation. Other borrowers or co-signers are not required to provide information on the relief applications.

**Q. How will I know if my request for relief has been approved?**

A. Borrowers can check the status of their deferment request via the online NJCLASS portal. HESAA is working to respond directly to email requests as soon as possible.

**Q. My payment is due and I requested relief but have not received a response yet. What should I do?**

A. Borrowers may submit interest-only payments while their relief application is pending. To find out how much interest to pay, log into the NJCLASS portal and view your most recent statement to identify the interest payment.

**Q: The federal government is suspending all interest and repayment on federally held loans until September 30, 2020. Why does that not apply to my NJCLASS loan?**

A: Since March 27, 2020, the federal government is offering limited student loan repayment relief through the national Coronavirus Aid, Relief and Economic Security (CARES) Act. However, the suspension of student loan payments and waiver of interest applies only to federal loans owned by the federal government. Although Congress considered proposals to include non-federal loans like NJCLASS in the economic stimulus law, the final CARES Act did not provide the funding needed to make NJCLASS loans eligible for this relief.

No federal or state funding is used to finance NJCLASS loans. Investors provide up-front funding to issue NJCLASS loans by buying HESAA's tax-exempt student loan revenue bonds. Unlike other government bonds, these bonds are not backed by New Jersey taxpayers. The holders of these bonds receive a return on their investment from the revenue received when borrowers repay their NJCLASS loans to HESAA. For this reason, it would require a separate source of dedicated funding for NJCLASS borrowers to qualify for a total payment suspension that matches the CARES Act provision for federal student loans. Although no funding is now available, we will notify you of any future action to provide relief to NJCLASS borrowers.

While HESAA cannot match the relief offered by the CARES Act, we have used the tools and leeway we have under our current legal and funding limitations to assist NJCLASS borrowers by suspending several collection practices and providing more flexibility in considering applications for relief. Also, HESAA has never charged a late fee, nor will we do so during this crisis.

Questions about relief options should be sent to [servicingandcollections@hesaa.org](mailto:servicingandcollections@hesaa.org).

**Q: I am considering refinancing my federal and private student loans. Is it in my best interest to do so at this time?**

A: Due to recent actions to assist borrowers of federal student loans in response to the COVID-19 pandemic, HESAA strongly recommends you carefully review the current and potential future benefits on your federal loans before refinancing with a non-federal education loan. When you refinance your federal student loan debt with HESAA, you will lose current and future benefits associated with your federal student loan. If you wish to refinance your private student loans, HESAA offers very competitive refinance terms for certain school-certified private loans, which could be beneficial as you manage your monthly finances. To learn more about HESAA Refi+ loans, please visit [hesaa.org/RefiLoan](https://hesaa.org/RefiLoan).

**Q. Will HESAA withhold my 2020 tax refund or lottery winnings to collect on a past due NJCLASS loan?**

A. No. During the current state of emergency, HESAA has suspended the practice of withholding State tax refunds or lottery winnings.

If your tax refund was inadvertently withheld, you can choose whether you want to continue to apply the amount credited against your outstanding NJCLASS loan balance or if you would like HESAA to refund that amount to you.

If you request HESAA to refund your withheld tax refund or lottery winnings, HESAA will deduct that amount from the credit that was applied to your outstanding balance, which will increase the balance due on your NJCLASS loan by both principal and accruing interest. Along with any request for a refund of withheld tax refund or lottery winnings, you also may wish to apply for one of the repayment relief options listed above for reasons of unemployment, temporary total disability, or financial hardship.

Please email any questions about tax refunds or lottery winning with holdings to [servicingandcollections@hesaa.org](mailto:servicingandcollections@hesaa.org).

**Q. Will HESAA continue to garnish my wages to collect on a past due NJCLASS loan?**

A. No. During the current state of emergency, HESAA suspended the practice of pursuing any new wage garnishments.

If you are currently enrolled in a wage garnishment order established before the suspension, you can choose whether you want to continue to apply the amount credited against your outstanding balance or if you would like HESAA to refund that amount to you.

If you request HESAA to refund any amount garnished from your wages, HESAA will deduct that payment from the credit that was applied to your outstanding balance, which will increase the balance due on your NJCLASS loan by both principal and accruing interest. Along with any request for a refund of wage garnishment payments, you also may wish to apply for one of the repayment relief options listed above for reasons of unemployment, temporary total disability, or financial hardship.

Please email any questions about wage garnishment to [servicingandcollections@hesaa.org](mailto:servicingandcollections@hesaa.org).

**Q. What is the status of my defaulted NJCLASS loan?**

A. During the pandemic emergency, HESAA instructed its private collection attorneys to suspend involuntary collection activities related to defaulted NJCLASS loans such as filing court judgments and wage garnishments. In addition, during the state of emergency, your defaulted NJCLASS account will be reported to credit bureaus under the approved disaster code, which should not negatively impact your credit score. Please contact the private collection attorney assigned to your defaulted loan. You may continue to make voluntary payments on your defaulted NJCLASS loan, or you may request a modification to the payment amounts due to unemployment or financial hardship due to the COVID-19 pandemic. If you need contacting the private collection attorney, please contact HESAA by sending an email to [servicingandcollections@hesaa.org](mailto:servicingandcollections@hesaa.org).

**Q. I previously set up a payment plan for my defaulted loan through a settlement agreement. What should I do?**

A. While private collection attorneys have been instructed to suspend involuntary collection activities due to the pandemic emergency, these attorneys remain available to assist you. Please contact the private collection attorney assigned to your defaulted loan to discuss your current payment arrangement. You may continue your payment arrangement related to your defaulted NJCLASS loan, or you may request a modification to the payment amounts due to unemployment or financial hardship due to the COVID-19 pandemic. If you need help contacting the private collection attorney, please contact HESAA by sending an email to [servicingandcollections@hesaa.org](mailto:servicingandcollections@hesaa.org).



## **Our Customer Care Team is Available**

If you have NJCLASS loan questions, call us at **609-584-4480**.

If you have State Financial Aid Questions, please continue to reach us via email at **[client\\_services@hesaa.org](mailto:client_services@hesaa.org)**.