



Questions and Answers About NJCLASS Family Loans

As New Jersey students and families face the challenges of responding to the Coronavirus pandemic and its impact on the economy, the Higher Education Student Assistance Authority (HESAA) is committed to helping borrowers with loans through the New Jersey College Loans to Assist State Students (NJCLASS) program.

Due to the current crisis, NJCLASS borrowers may be experiencing unemployment, illness, or other changes that have reduced their earnings. HESAA offers several repayment relief options to borrowers in circumstances that have interrupted their ability to make payments on NJCLASS loans. There is no fee to apply for any of the relief options explained below, and HESAA has never charged borrowers late fees. During this public health emergency, HESAA has also suspended the use of wage garnishments and withholding of state income tax refunds to collect on past due loans.

Please let us know if you have additional questions. We are working to respond to e-mail inquiries as quickly as possible. Due to the state's work-from-home order, our office is closed to visitors and we have limited staff available by telephone. Thank you for your patience and understanding.

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, NJCLASS loan repayment relief also will not require evidence of your efforts to look for a new job.

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 response has caused your financial hardship. HESSA 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. Once you have filled in the form, 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.

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.

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

A. Your payment 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, if your loan was originated beginning with the 2017-18 academic year or later 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. If your loan was originated beginning with the 2018-19 academic year or later, 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.

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: As of 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 six-month 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 recent 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.

Q: I am considering refinancing my federal and private student loans. What do you think?

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 now 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+ refinance loans, please visit hesaa.org/RefiLoan.

Q. Will HESAA withhold my 2019 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 you already filed your 2019 income tax return and your tax refund was 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 withholdings to 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 has suspended the practice of pursuing any new wage garnishments.

If you are currently enrolled in a wage garnishment order established before the recent 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.

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 help getting connected to the private collection attorney, please let us know by sending an email to 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 getting

connected to the private collection attorney, please let us know by sending an email to servicingandcollections@hesaa.org.

Q. I would like to speak with customer service and explain my situation. How can I talk to a live representative?

A. To speak with someone from HESAA over the phone, please send an email to servicingandcollections@hesaa.org and request a call back. Be sure to include the best number to return your call. We understand your time is valuable and are committed to responding to your inquiries as quickly as we can within our normal hours of operation.