

Compare 2024-25 State of New Jersey NJCLASS vs. Federal Parent PLUS vs. Sallie Mae Smart Option

NJCLASS cannot be compared to Federal Direct Loans, subsidized or unsubsidized, because borrowers must first take Federal Direct Loans prior to NJCLASS loans. Like the Federal Parent PLUS loan, the NJCLASS family loan is a supplemental loan that can only be used to cover unmet need after all other aid, including Federal Direct Loans, is subtracted from the cost of attendance. The chart below compares different features of NJCLASS Loans and Federal Parent PLUS Loans or other Private lenders.

| Loan Type | NJCLASS 10 Year- Fixed Rate Loan Click to Apply | NJCLASS 15 Year- Fixed Rate Loan Click to Apply | NJCLASS 20 Year- Fixed Rate Loan Click to Apply | Federal Parent PLUS 10 Year-Fixed Rate Loan Click to Apply | Federal Parent PLUS 15 Year-Fixed Rate Loan Click to Apply | Federal Parent PLUS Loan 20 Year- Fixed Rate Loan Click to Apply | Sallie Mae Smart Option | Sallie Mae Smart Option |
|--|--|---|---|---|---|---|---|---|
| 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. | Parent Only | Parent Only | Parent Only | 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. |
| Repayment Option | Immediate repayment of principal & interest | Interest only while in school | Full deferment while in school | Immediate repayment of principal & interest (Other repayment options available) | Interest only while in school | Full deferment request | Immediate repayment of principal & interest | Full deferment while in school |
| Loan Type | Fixed | Fixed | Fixed | Fixed | Fixed | Fixed | Variable/Fixed | Variable/Fixed |
| Sample Loan Amount Requested – can borrow up to cost of attendance – minus other aid ⁴ | \$16,000 | \$16,000 | \$16,000 | \$16,000 | \$16,000 | \$16,000 | \$16,000 | \$16,000 |
| Total Amount Borrowed (Including Fees) | \$16,000.00 | \$16,000 | \$16,000 | \$16,706.34 | \$16,706.34 | \$16,706.34 | \$16,000 | \$16,000 |
| Interest Rate/APR | 5.99% ¹ /5.99% | 6.99% ¹ /6.99% | 7.99% ¹ /7.99% | 9.08% ² /10.102% | 9.08% ² /10.009 % | 9.08% ² /9.785 % | Weighted Average* Annual Borrower Interest Rate 11.26% (published fixed range as of April 2024 4.65% to 16.53%) | Weighted Average* Annual Borrower Interest Rate 11.26% (published fixed range as of April 2024 4.65% to 16.53%) |
| Loan Fee | 0.00% | 0.00% | 0.00% | 4.228% ³ | 4.228% ³ | 4.228% ³ | 0.00% | 0.00% |
| Years in Repayment | 10 (120 months) | 15 (180 months) | 20 (240 months) | 10 (120 months) | 15 (180) | 20 (240 months) | 10 (120 months) | 10 (120 months) |
| Payment while in School (Assuming One Loan Only) ⁵ | \$178.43 | \$93.84 | \$0.00 | \$212.35 | \$126.41 | \$0.00 | \$222.76 | \$0.00 |
| Payment when out of School (Assuming One Loan Only) ⁵ | \$178.43 | \$175.45 | \$200.82 | \$212.35 | \$197.96 | \$220.05 | \$222.76 | \$329.36 |
| Total finance charges & administrative fee (Assuming One Loan Only) | \$5,265.00 | \$6,893.00 | \$22,594.00 | \$9,482.00 | \$16,413.05 | \$26,909.75 | \$10,731.37 | \$23,523.66 |
| Total Cost of Loan | \$21,265.00 | \$22,893.00 | \$38,594.00 | \$25,482.00 | \$32,413.05 | \$42,909.75 | \$26,731.37 | \$39,523.66 |
| Estimated cost of borrowing over 4 years, at 16,000 per year, assuming that the interest rate is the same from year to year. | \$713.72 per month \$85,060.00 over life of loans | \$701.80 per month when out of college \$91,572.00 over life of loans | \$803.28 per month when out of college \$154,376.00 over life of loan | \$849.40 per month \$101,928.00 over life of loan | \$791.84 per month \$129,652.20 over life of loans | \$880.20 per month when out-of-school \$171,639.00 over life of loan | \$891.05 per month when out of college \$106,925.46 over life of loans | \$1317.46 per month when out of college \$158,094.64 over life of loans |
| Repayment Relief Options Including Income Contingent Repayment Plans | Relief Options https://www.hesaa.org/Pages/NJCLASSReliefOptions.aspx | | | https://studentaid.gov/manage-loans/lower-payments/get-temporary-relief | | | https://www.salliemae.com/content/dam/slm/writtencontent/Reports/investors/Q4-2023-SLM-Investor-Presentation.pdf | |
| | Repayment Assistance Program (RAP) and Household Income Affordable Repayment Plan (HIARP) https://www.hesaa.org/Pages/RAPandHIARInfo.aspx | | | https://studentaid.gov/manage-loans/repayment/plans | | | | |
| Average Default Rate | 8.50% ⁶ | | | https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-09-25/fy-2020-official-cohort-default-rates-distributed-sept-25-2023 | | | | |
| Average # of Administrative Wage Garnishments | For FY2023, 0 AWG orders were sent to employers. | | | Data Not Available | | | | |
| Percent of Deferment and Forbearance Relief Granted | 2.41% ⁷ | | | Data Not Available | | | | |
| Rehabilitation Relief | Yes, if parties to a defaulted NJCLASS loan make 9 out of 10 voluntary monthly on-time payments pursuant to a settlement agreement, the loan shall be considered rehabilitated for the limited purposes of meeting the requirements of Title VI of the federal "Economic Growth, Regulatory Relief, and Consumer Protection Act," Pub.L.115-174. | | | Yes - If no legal judgement was issued/granted | | | | |
| Average # of Law Collection Lawsuits | There were 1,229 lawsuits filed in Fiscal Year 2023 | | | Data Not Available | | | | |

¹ Fixed interest rate for the life of the loan

² For Direct PLUS Loans first disbursed on or after July 1, 2024, and before June 30, 2025, the interest rate is 9.08%. The interest rate for Direct PLUS loans disbursed before July 1, 2024 is 8.05%.

³ For Direct PLUS loans disbursed on or after October 1, 2023 and before October 1, 2024, the loan administrative fee rate is 4.228%.

⁴ 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

⁵ 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/isp/world/amortizationCalculator.jsp>

⁶ As of 12/31/23 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

⁷ As of 12/31/23 the percentage of deferments and payment relief granted excludes in-school deferments

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