

Compare 2025-2026 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	6.50%/6.50%	7.99%/7.99%	8.75% ¹ /8.75%	8.94%/9.960%	8.94%/9.868 %	8.94%/9.642 %	Weighted Average* Annual Borrower Interest Rate 11.30% (published fixed range as of May 2025 3.49% to 15.99%)	Weighted Average* Annual Borrower Interest Rate 11.30% (published fixed range as of May 2025 3.49% to 15.99%)
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	\$182.76	\$106.46	\$0.00	\$211.09	\$124.46	\$0.00	\$223.13	\$0.00
Payment when out of School (Assuming One Loan Only) ⁵	\$182.76	\$182.56	\$218.34	\$211.09	\$196.67	\$217.29	\$223.13	\$330.28
Total finance charges & administrative fee (Assuming One Loan Only)	\$5,829.82	\$13,333.43	\$25,800.09	\$9,330.80	\$16,151.15	\$26,371.55	\$10,775.60	\$23,633.60
Total Cost of Loan	\$21,829.82	\$29,333.43	\$41,800.09	\$25,330.80	\$32,151.15	\$42,371.55	\$26,775.60	\$39,633.60
Estimated cost of borrowing over 4 years, at 16,000 per year, assuming that the interest rate is the same from year to year.	\$731.04 per month \$87,319.28 over life of loans	\$730.24 per month when out of college \$117,333.72 over life of loans	\$873.36 per month when out of college \$167,200.36 over life of loans	\$844.36 per month \$101,323.20 over life of loans	\$786.68 per month \$128,604.60 over life of loans	\$869.16 per month when out of college \$169,486.20 over life of loans	\$892.52 per month when out of college \$107,102.40 over life of loans	\$1321.12 per month when out of college \$158,534.40 over life of loans
Repayment Relief Options Including Income Contingent Repayment Plans	Relief Options: 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/rapandhiarpinfo.aspx			https://studentaid.gov/idr/				
Average Default Rate	7.52% ⁶			https://www.bestcolleges.com/research/student-loan-default-rate-facts-statistics/				
Average # of Administrative Wage Garnishments	For FY2024, 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 374 lawsuits filed in Fiscal Year 2024			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, 2025, and before June 30, 2026, the interest rate is 8.94%. The interest rate for Direct PLUS loans disbursed before July 1, 2025 is 9.08%.

3 For Direct PLUS loans disbursed on or after October 1, 2024 and before October 1, 2025, 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/jsp/world/amortizationCalculator.jsp>

6 As of 12/31/24 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 to date.

7 As of 12/31/24 the percentage of deferments and payment relief granted excludes in-school deferments

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NJ Rev Stat § 18A:71C-21.2 (2019)