

Compare 2018-19 State of New Jersey NJCLASS vs. Federal PLUS

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 PLUS Loans.

Loan Type	NJCLASS 10 Year- Fixed Rate Loan Click to Apply	NJCLASS 15 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 PLUS 10 Year-Fixed Rate Loan Click to Apply	Federal PLUS Loan 20 Year- Fixed Rate Loan Click to Apply
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.	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
Repayment Option	Immediate repayment of principal & interest	Immediate repayment of principal & interest	Interest only while in school	Full deferment while in school	Immediate repayment of principal & interest (Other repayment options available)	Full deferment request
Loan Type	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
Sample Loan Amount Requested – can borrow up to cost of attendance – minus other aid ³	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
Loan Fee in Dollars ⁵	\$480	\$480	\$480	\$480	\$682.24	\$682.24
Loan Fee Percentage	3.00%	3.00%	3.00%	3.00%	4.264% ²	4.264% ²
Interest Rate/APR	4.79%/5.596%	5.60%/6.132%	5.60%/6.251%	7.20%/7.639%	7.60% ¹ /8.274%	7.60% ¹ /9.074%
Years in Repayment	10 (120 months)	15 (180 months)	15 (180 months)	20 (240 months)	10 (120 months)	20 (240 months)
Payment while in School (Assuming One Loan Only) ⁴	\$169.17	\$132.53	\$74.51	\$0.00	\$190.76	\$0.00
Payment when out of School (Assuming One Loan Only) ⁴	\$169.17	\$132.53	\$151.37	\$166.03	\$190.76	\$172.49
Total finance charges & administrative fee (Assuming One Loan Only)	\$5,138	\$8,628	\$9,671	\$19,028	\$7,573	\$19,784
Total Cost of Loan	\$20,658	\$24,148	\$25,191	\$34,548	\$22,891	\$35,102
Estimated cost of borrowing over 4 years, at 16,000 per year, assuming that the interest rate is the same from year to year.	\$676.68 per month \$82,633 for life of loans	\$530.12 per month \$96,594 over life of loans	\$605.48 per month when out-of-college \$100,764 over life of loans	\$664.12 per month when out-of-college \$138,193 over life of loan	\$763.04 per month \$91,564 over life of loans	\$689.96 per month when out-of-school \$140,406 over life of loan
Repayment Relief Options Including Income Contingent Repayment Plans	Relief Options http://www.hesaa.org/Pages/NJCLASSDefermentOptions.aspx				Deferment/Forbearance Options https://studentaid.ed.gov/sa/repay-loans/deferment-forbearance	
	Repayment Assistance Program (RAP) http://www.hesaa.org/Pages/RAPInfo.aspx for loan applications received on or after June 1, 2017, and for NJCLASS loan applications received prior to June 1, 2017 that are used for academic terms that begin on or after August 1, 2017. Once "RAP" Repayment Assistance program relief is exhausted, borrowers, co-borrowers and cosigners collectively can look to "HIARP" Household Income Affordable Repayment plan for additional relief for loan applications received on or after June 1, 2018 that are used for academic terms that begin on or after August 1, 2018.				Federal Repayment Plans https://studentaid.ed.gov/sa/repay-loans/understand/plans	
Cohort Default Rate	2.54% ⁵				5.1% ⁷ (Federal Fiscal Year 2010)	
Average # of Administrative Wage Garnishments	268				Data Not Available	
Percent of Deferment and Forbearance Relief Granted	83.60%				Data Not Available	
Rehabilitation Relief	Not currently available				Yes - If no legal judgement was issued/granted	
Average # of Law Collection Lawsuits	1,611 since 2010				Data Not Available	

¹ For Direct PLUS Loans first disbursed on or after July 1, 2018, and before June 30, 2019, the interest rate is 7.60%

² For loans disbursed on or after October 1, 2018 and before October 1, 2019

³ \$16,000 represents an example loan amount used for comparison purposes. Loan examples based upon a single disbursement. For example purposes, Interest Only and Full Deferment Loans are assumed to be 34 months. 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

⁴ 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>

⁵ The cohort default rate is determined by the number of borrowers that entered repayment between July 1, 2015 and June 30, 2016 (denominator) and subsequently defaulted between July 1, 2015 and June 30, 2018 (numerator). The numerator is divided by the denominator to arrive at the cohort default rate.

⁶ Administrative fee are deducted from each loan received while enrolled in school. This means the money received by the school will be less than the amount borrowed. The borrower is responsible for repaying the entire amount borrowed and not just the amount received by the school.

[7 Most recently published Parent PLUS cohort default rate published by the U.S. Department of Education.](#)