1. What is RAP?

**RAP is the Repayment Assistance Program, available for NJCLASS loans with applications that were received on or after June 1, 2017*. RAP provides payment relief when all parties to the loan are facing financial hardship. Subject to the availability of funds, for a time period not to exceed two years (730) days, the monthly payment amount on an eligible NJCLASS loan shall be reduced to 10% of the total of the household income of all of the parties to the loan that exceeds 150% of the federal poverty guidelines for their family size, with a minimum monthly payment of $5. Interest that accrues during the RAP period will be paid by HESAA. All other payments received while in RAP shall be applied to reduce principal.**

2. What loans are eligible for RAP?

**Subject to the availability of funds, NJCLASS loans for which the application was received by HESAA on or after June 1, 2017* are eligible for RAP as long as they are not in default.**

3. Could some of my loans be eligible for RAP when others are not?

**RAP eligibility is tied to a specific loan. If you have NJCLASS loans that you applied for prior to June 1, 2017* they are not eligible for RAP. In addition, the determination of RAP eligibility is based on the household income of all parties to the specific loan. If you have multiple NJCLASS loans with different cosigners, one loan may be eligible while another is not.**

Example: Carly cosigns loans for her sons Fred and Sam. The payment amount for each loan is $400 per month. Immediately following graduation Fred moves out of Carly’s household and starts working. Fred’s household size is 1 and the household income is $3,000 per month. Sam does not get a job and remains part of Carly’s household. Carly’s household size is 2 and her household’s income is $5,000 per month.

Ten percent of the total of the household income of all of the parties to Sam’s loan that exceeds 150% of the poverty guidelines for a household size of 2 is $294. Since this amount is less than the $400 NJCLASS loan payment, Sam’s loan is eligible for RAP.

Ten percent of the total of the household income of all of the parties to Fred’s loan that exceeds 150% of the poverty guidelines for household sizes of 1 and 2 combined (Fred and Carly) equals $442. Since the RAP payment would be higher than the $400 NJCLASS payment, Fred’s loan is not eligible for RAP.

**Note: The above calculations are for illustrative purposes only and are based upon the HHS poverty guidelines for 2018.**

4. What is the 150% of the federal poverty guideline?

*The current 150% of the U.S. Health and Human Services Department (HHS) Poverty Guidelines can be found at:*  