

## Must I consider Federal Loans before I take out a NJCLASS Loan?

Public Law 2017 c. 198 also added requirements regarding the maximum annual loan amounts for a student borrower. To determine the maximum annual loan amount the total federal subsidized Direct loan amount available to the student has always been deducted from the NJCLASS loan amount. The new law now requires HESAA to deduct the maximum amount of the federal Direct Unsubsidized Loans available to the student from the available NJCLASS loan amount of the available interest rate for federal Direct Unsubsidized Loans is lower than the interest rate available to the student under the NJCLASS Loan Program. However to ensure that students do not lose federal loan benefits, including but not limited to income-based repayment (IBR), loan forgiveness and redemption programs, HESAA is requiring all federal Direct Loan amounts, subsidized and unsubsidized, to be deducted from the certified NJCLASS loan amount, regardless of the interest rate.