



## Frequently Asked Questions-Standard NJCLASS Loan

### Why do I need a User ID and Password?

To help mitigate fraud, HESAA requires all parties to the application to have their own User ID and password. Each borrower on the application must pass an authentication process in order to sign their application. The User ID and Password also enables the borrower to access their accounts with HESAA.

### How do I get a user ID and Password?

To register, follow these steps:

1. Click on the "Register" button.
2. Create a HESAA user ID profile, and choose your login/user ID and a password. When finished, click submit.
3. Return to login page and enter your login/user ID and password.

### I forgot my password, what should I do?

- Click "Forgot Password or Forgot User ID".
- Enter User ID and click "send request". An email will be sent to the email address that you used at the time you created the registration.
- Click the link provided in the email and you will be prompted to enter the new password twice.
- Return to login page and enter your login/user ID and password.

### I got an error that said the user ID already exists. What should I do?

If you press the "Save" button twice (while waiting for a response) or accidentally double click on it, you may see this message. Your user ID will be created with the first press of the "Save" button, so the second click during the save process causes this error to be displayed. If you believe this is the case, please try to log in with the user ID and password you created.

If you are sure you only pressed "Save" one time, the user ID may have been chosen by a different person. Please choose a different ID and try again. If you are still having difficulty, please [contact us](#).

### Other Login/User ID and Password issues:

We recommend using the latest version of Chrome, Firefox, Safari, or Internet Explorer 9.0+ to access the system.

If you are still having trouble, please [contact us](#).

### What is a "Private Education Loan?"

The Federal Reserve Board uses this term to broadly categorize any loan that is not a Federal Title-IV loan. A private education loan is a student loan independently financed and administered by a nonfederal lender. A private education loan is sometimes also referred to as an alternative or supplemental loan. NJCLASS is a supplemental loan program authorized through the State Legislature.

### **What is Title IV aid?**

Title IV is part of the Higher Education Act of 1965, as Amended. It governs the administration of federal student financial aid programs in the United States.

### **Am I eligible for a Standard NJCLASS Loan?**

Eligibility information can be found [here](#).

### **If the student lives in New Jersey but is going to college out-of-state, is the student eligible for NJCLASS?**

Yes, as long as they meet the other requirements. Please review the [eligibility](#) information.

### **If the student lives out-of-state but is attending college in New Jersey, is the student eligible for NJCLASS?**

Yes, as long as they meet the other requirements. Please review the [eligibility](#) information.

### **Are there loan limits for Standard NJCLASS Loans?**

Pursuant to P.L.2017 c.198, student beneficiaries first applying for a Standard NJCLASS loan on or after August 8, 2017 will be subject to a loan limit. This is an aggregate per student loan limit, which will be increased annually for each academic year over the prior year by the regression-based index value of the Higher Education Price Index. The loan limit does not apply to students who received NJCLASS loans prior to August 8, 2017.

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

Yes, you must consider Federal Direct loans. To determine the maximum annual loan amount, HESAA deducts the maximum amount of Federal Direct Subsidized and Unsubsidized Loans available to the student from the Total Cost of Attendance.

A student is not required to take their Federal Direct Loans, but is encouraged to do so because of the many Federal Student Loan benefits available to them.

### **How much can I borrow?**

Students can borrow an amount up to the [cost of attendance](#), less any financial aid. The cost of attendance (which is determined by the school) includes tuition, fees, room and board, books, and other education-related expenses. Please contact your school's financial aid office if you have any questions about the cost of attendance or if you are not sure about the amount you need to borrow.

You are not required to borrow the full amount for which you may be eligible. Borrow only what you need, and keep in mind that borrowing carries with it the responsibility of repayment.

### **What is period of enrollment?**

This is the academic year, academic term (such as semester, trimester, or quarter) or the number of weeks of instructional time for which the applicant is requesting student financial assistance.

### **What should I enter for Academic Period of the Loan?**

Most students apply for a loan that spans the fall and spring semesters, e.g. September 1st through May 25th. However, you may apply for just the fall semester, or spring semester, or summer semester, etc. The total time period of the loan should not be more than one year. If you are unsure, please contact the Financial Aid Office at your college for advice about your particular situation.

Do not enter a time span that covers all 4 years of college.

## **Are there any fees for applying for and/or receiving a Standard NJCLASS loan?**

No, HESAA does not charge an Administrative Fee.

## **How is the interest rate determined?**

Interest rates are set once a year in accordance with market conditions and the annual bond transaction completed by HESAA. Unlike other alternative loans on the market, the interest rate is not determined by the approved party's credit score. The borrower is able to choose the interest rate based upon the repayment option selected. Interest rates and funds are limited and subjected to availability.

## **Can the Student be the Borrower if the student has no income?**

Yes. The Student can be the Borrower, however, if the Borrower does not meet the income or credit requirements, an [eligible Co-Borrower or Cosigner](#) will be required.

## **Does the Student have to be the Borrower?**

No, the student or a creditworthy parent may apply for Standard NJCLASS loans. An eligible parent borrower is a student's biological or adoptive parent. The spouse of a parent is also an eligible parent borrower.

## **I'm confused about the terms "Co-borrower" and "Cosigner". What's the difference?**

A [Co-borrower](#) is an additional party to the loan that is jointly and primarily responsible for repaying the debt. Please read the [Borrower and Co-borrower Rights and Responsibilities](#) for additional information.

A [Cosigner](#) guarantees payment of a debt. Borrowers who do not meet the income and/or credit requirements will be required to have an eligible Cosigner. Please read the [Cosigner and Joint Cosigner Rights and Responsibilities](#) for additional information.  
[What to Consider When You're Considering Cosigning a Loan](#)

## **Can the same person be both Co-borrower AND Cosigner?**

No. Each party to the application can only have one role, with the exception of a Student who may also be the Borrower.

## **Is a Cosigner always required?**

No. If the Borrower meets both the income and credit requirements, then a [Cosigner](#) is optional.

## **Is a Co-borrower required?**

No. The [Co-borrower](#) is optional.

## **Is a Joint Cosigner required?**

No. The [Joint Cosigner](#) is optional.

## **I'm a parent and I want to be the Borrower for my student's Standard NJCLASS loan. How do I begin?**

The student page of the NJCLASS application must be completed first, and it is on that page that we ask if the student or the parent will be the borrower. That question should be answered 'Parent' if a parent wants to be the borrower on the NJCLASS Loan. Fill out the Borrower section and certify you are the student's biological or adoptive mother or father, or the spouse of a parent.

**Both parents would like to be jointly responsible Borrowers (Borrower and Co-Borrower) for our student. How do we proceed?**

Fill out the Student page first, and answer "No" to the question that asks if the student is the borrower. Fill out the Borrower section next. The Borrower should indicate there will be a Co-borrower for the application when filling out the Borrower section. The other parent can then fill out the Co-borrower section of the application (the loan application reference number will be needed).

**The student is the Borrower, I'm the Cosigner. I'm ready to fill out the Cosigner section, how do I proceed?**

The Borrower will provide you with the loan reference number after filling out the Borrower section of the application. Once you get this information from the Borrower, the Cosigner should enter his or her SSN, enter the loan reference number, click Cosigner, then click the first link on the right (provide or edit your information) to proceed to the Cosigner information page. When finished filling out the information, press submit. The Cosigner will be asked if there will be a Joint Cosigner, if so, the Joint Cosigner can fill out his or her page next.

**How do I add a Joint Cosigner if the Cosigner page is protected/not editable?**

If a loan application is not approved, and you'd like to add a joint cosigner to have the application reconsidered, click the link (use link from result page, or use Borrower SSN and click Borrower radio button for options) and follow instructions to indicate that a joint cosigner will be added. The joint cosigner should then login and provide the necessary information on the joint cosigner page. The joint cosigner will need the loan reference number to do so. The application will automatically be reprocessed and you will get a new result once the joint cosigner completes all of the information and presses "Submit" on their page.

**What is a Private Education Self Certification Form and why do I need to complete this?**

The Federal Government requires you to submit information regarding the cost of attendance and expected financial aid. You will be asked to complete a Federal Private Education Loan Applicant Self-Certification during this application process. You will need to know the cost of attendance for the period of enrollment covered by this loan and the estimated financial assistance you will be receiving. The difference between these two items is your loan amount. You can obtain this information from the Financial Aid office at your school. The purpose of this form is to ensure that the student/borrower is aware of the costs associated with attending their school, and the amount of loans that may be necessary.

**What is cost of attendance?**

The cost of attendance is an estimation by the school of the total amount it will cost a student to attend that school for a specific period of enrollment. The cost of attendance usually includes tuition, fees, room and board, books and supplies, and other expenses.

**How do I complete the Estimated Financial Assistance amount on the Private Education Self Certification Form?**

Your Estimated Financial Assistance is your financial aid package before the NJCLASS loan. You should include Federal and State student aid and any scholarships you've been awarded. Your financial aid office can provide this number to you if you are unsure of your aid package.

**What does it mean if my loan is pre-approved?**

Pre-approved means your loan has met HESAA's minimum income and credit requirements. After the lender review is completed, a school certification request will be sent to your school. Once the school certification is complete you will receive a loan offer. In order to finalize your loan and have the funds disbursed, you must accept this loan offer within 30 days. If you do not accept your loan offer, it will expire and you will have to apply again.

### **Does everyone on the loan application have to sign electronically?**

Yes, each applicant must eSign the documents. After your application has been processed and signed by all parties you will be given the opportunity to print a copy for your records. Any printed copies are for your records only and should not be mailed to NJCLASS.

### **Why can't I eSign?**

Only completed, pre-approved applications require signatures. You will not be asked to eSign your application unless you are pre-approved.

### **Can I Scan and email my requested documents to NJCLASS?**

You can scan and upload requested documents directly to HESAA.org and select NJCLASS family loan for faster results. Click the 'Welcome New Borrowers' and '[Upload Documents](#)' links. Follow the instructions to send your documents to NJCLASS quickly and securely.

### **What is the Truth in Lending Act (TILA)?**

This law established in 1968 is designed to protect consumers in certain credit transactions by requiring clear disclosure of key terms of the lending arrangement and all costs associated with the loan. The sole purpose of TILA is to promote the informed use of consumer credit, by requiring disclosures about its terms, and standardizing the manner in which costs associated with borrowing are calculated and disclosed. It is important to note that this law does not regulate the costs or charges associated with a loan; it just requires that this information is disclosed to the borrower in a timely fashion.

### **Why did I receive a smaller loan than the amount I requested?**

The school certifies the annual loan limit for your Standard NJCLASS loan which is cost of attendance minus your other financial aid. If you requested an amount higher than the amount the school certifies the loan amount will be reduced to your annual loan limit.

### **What is a "Loan Offer" and why must I accept my loan within 30 days?**

After HESAA completes its review of your application documents, and receives the school's certification, HESAA offers you the loan. Federal regulations require that lenders honor the terms and conditions of the loans they offer for 30 days. This gives borrowers time to review the loan terms and decide if they want the loan. If you want the loan, then accept the loan offer. If you've changed your mind and no longer wish to borrow, then decline the offer. If you take no action on the offer, it will expire, and the lender is no longer required to honor the terms and conditions contained in the original Loan Offer.

### **What is the purpose of the three day right to rescind and how will it affect my loan?**

The three day right to rescind provides the borrower with a final opportunity to evaluate their need for the loan after acceptance and prior to the funds being disbursed. During this period the borrower can rescind or cancel their loan application. If you rescind your loan, it will be cancelled. If you decide later that you need additional funds, you'll need to reapply. There is no guarantee that the terms and conditions of the original offer will be available if you reapply.

### **What is an APR?**

The Annual Percentage Rate (APR) is the cost of credit expressed as a yearly rate including interest and loan fees. The APR allows the borrower to compare loans; however the APR should not be confused with the actual note rate.

### **What is the initial finance charge?**

A finance charge is any fee or charge representing the cost of credit, or the cost of borrowing. In this loan it includes only interest charged over the life of the loan.

### **What is Capitalization?**

Interest capitalization is the process of adding unpaid interest to the outstanding principal balance. In the NJCLASS program, borrowers can select from different repayment options. When borrowers elect to defer all payments while in school, interest continues to accrue but is not billed. The unpaid accrued interest is capitalized annually (added to the principal balance) and at the end of the in-school period. Interest capitalization normally results in a higher principal balance at time of repayment.

### **What does Usury Interest Rate mean?**

The term usury rate refers to a rate of interest that is considered to be excessive as compared to prevailing market interest rates. Usury laws are state laws that specify the maximum legal interest rate at which loans can be made.

### **How will I get the money?**

The school determines the loan disbursement dates during the certification process.

The proceeds may be sent to the school by check or Electronic Fund Transfer (EFT).

- EFT to your school.
  - If the school participates in NJCLASS-EFT, all proceeds will be electronically sent to the school, regardless of whether the student or the parent is the borrower.
- Student Borrower Check - Issued as a check made payable to the school and mailed to the school address on file.
- Parent Borrower Check- Issued as a check made payable to the parent and mailed directly to the parent borrower at the address on file.

### **When do I start repayment?**

The repayment start date depends on the repayment option selected. For immediate repayment of principal and interest, a bill statement is sent out within 30 days of the loan disbursement. For interest-only payments, an interest bill is sent out within 30 days of the loan disbursement. For deferred payments, no bill is sent until the student graduates, withdraws from school, or the student's enrollment falls to less than half-time. In these cases, the first bill is sent out within 30-45 days of the enrollment status change.

### **May I make payments on a loan while in school?**

Yes. Borrowers who select immediate repayment of principal and interest, or interest-only payments are required to make payments while the student is enrolled in school. Payments received in these cases are applied first to outstanding accrued interest, then to reduce outstanding principal.

Borrowers who select a deferred repayment option are not required to make payments while the student is enrolled in school; but, if they are able to afford to do so, HESAA encourages borrowers to make payments. In the case of a deferred repayment option, payments are applied to reduce outstanding principal.

### **How are payments applied?**

In cases where borrowers are being billed for principal and interest repayment, or interest-only payments, payments that are received are applied first to outstanding accrued interest, then to reduce outstanding principal. Additional payment amounts equal to or greater than the monthly payment

amount will be posted first to any outstanding accrued interest, then to reduce principal. These types of payments will not move ahead the next payment due date.

### **Will I be suspended for repeatedly making payments with insufficient funds?**

Customers whose payments are returned for insufficient funds and not successfully resubmitted prior to the due date for two consecutive months will lose the privilege of using the HESAA online bill pay feature for a period of 6 months from the second month in which this occurred. Customers whose payments are repeatedly returned for insufficient funds and not successfully resubmitted will lose the privilege of using the HESAA online bill pay feature permanently.

### **What are the consequences if I default on my Standard NJCLASS loan?**

Defaulting on your NJCLASS loan has very serious consequences. If you default, HESAA will initiate collection activity against you until the loan has been repaid in full. Defaulting may result in any or all of the following:

- You will be required to pay interest on this loan accruing after default. All past due interest may, to the extent permitted by law, be capitalized and treated as part of the outstanding principal balance.
- Report of the default to all national credit bureaus (also known as consumer reporting agencies). Adverse credit reports can affect your ability to obtain financing and can increase the cost of credit if you are approved.
- Report of default to the NJ State Treasury, causing state tax refunds to be withheld and applied to the loan balance.
- Loss of other state payments.
- Garnishment of wages.
- Possible charge of up to 25% of your principal balance in collection costs necessary to collect the debt.
- Loss of eligibility for further assistance from any NJ State grant or scholarship and for NJCLASS loans.
- Loss of eligibility for repayment options, deferments and interest benefits as described on the promissory note.
- Assignment of loan to a collection attorney.
- Lawsuit.
- Liability for court/legal expenses.

### **Is information about my loans reported to the credit bureaus (also known as consumer reporting agencies)?**

Yes. Following the first disbursement of an NJCLASS loan, HESAA reports the status of the loan each month to the consumer reporting agencies. The loan status is reported on both borrowers and cosigners. HESAA will continue to report information about the loan and the payment history to the consumer reporting agencies until the loan is paid in full.

### **Other questions? Contact us.**

Before you call or email, please see if your question has been answered in the [Frequently Asked Questions](#) above, and check the [Things You Should Know](#) section of the NJCLASS Xpress welcome page for definitions and other information.

To email us, go to [www.hesaa.org](http://www.hesaa.org) and click on [Contact Us](#). Phone 800-792-8670 (M-Th. 8:30am-8pm; Fri. 8:30am-5pm). Please include your loan application reference number with all correspondence.