

## **New Jersey STEM Loan Redemption Questions & Answers**

### **Who is eligible to participate in the New Jersey STEM Loan Redemption program?**

New Jersey residents who have graduated from an approved high-growth STEM degree program at a New Jersey college or university and have worked continuously full-time in a STEM occupation in New Jersey for at least four years.

### **What type of student loans can be redeemed?**

Any federal or New Jersey state (NJCLASS) student loans for which you are the borrower, up to the program maximum of \$8,000. Loans that someone else borrowed on your behalf (such as Parent PLUS loans) are not eligible for redemption.

### **How do I apply?**

If you meet the qualifications, download and print the application. Once you have completed your sections, provide it to your employer to complete the application. Your employer will attach all required documentation together with the employer matching contribution and submit it to the Higher Education Student Assistance Authority (HESAA) as a single package.

### **Do I have to reapply each year?**

No. Once you have been accepted into the program, and have signed your service agreement, program funds are reserved for your entire service commitment. However, your employer will need to provide an Employer Certification and employer matching contribution annually in order for you to remain in the program.

### **What happens if the program runs out of money?**

The STEM Loan Redemption Program is funded through a State of New Jersey appropriation. As a result, funds are limited for this program. If you are already in the program (with a signed service agreement), then funds will be reserved for your entire service term. Once funds are allotted, no further applications will be accepted. As funds become available, participants on any wait list may be offered service agreements before new applications are accepted.

### **What documents do I need to send to support eligible student loan balances?**

A copy of the most recent eligible student loan billing statement is required.

### **What happens after I apply?**

HESAA will review your completed application, and if all eligibility criteria are met, we will send a letter and service agreement. You must read the agreement, sign it, date it, and have it notarized. Return both pages of the agreement to our office. Keep a copy for your records. We will also notify applicants who do not meet the eligibility criteria.

### **How long is the service agreement/commitment?**

Although you may withdraw from the program at any time, the maximum service commitment is four years.

**I've returned the service agreement. When will my loans be redeemed?**

Each year, prior to your employment anniversary date, you will receive an "Employment Certification" form for you and your employer to complete. Your employer will return the completed form to HESAA along with the employer's matching contribution. Once HESAA receives this form, we will send the loan redemption payment to your lender(s), together with instructions for how the lender should apply the payments to your loan balance(s). We also will notify you when the payment is sent to your lender(s). The annual loan redemption payment will be the sum of \$1,000 in state funds, plus any matching contribution provided by your employer, up to a maximum total of \$2,000 per year.

**Can I remain in the program if I change jobs?**

Yes. After initially joining the STEM Loan Redemption program, you must maintain continuous full-time employment in an eligible high-growth STEM occupation, but there is no requirement to remain with the same employer. On the application deadline each year you are participating in the program, your current employer must certify your employment and provide the employer matching contribution. If you change jobs and are no longer working in an eligible high-growth STEM occupation at the time of the annual employment certification deadline, you are no longer eligible to participate in the program.

**My student loans are in default. Am I eligible to participate in the program?**

No. Defaulted student loans are not considered eligible for redemption under the program guidelines.

**Are there tax implications to participating in this program?**

The American Rescue Plan Act temporarily excluded from federal income taxes any student loan payments that a third party makes on your behalf between 2021 and 2025. However, loan redemption payments made on your behalf are not considered taxable income for New Jersey State gross income taxes, and unlike the federal income tax law, the New Jersey State law is not scheduled to expire. Click [here](#) for NJ income tax information.

**I received a notice stating that I am not eligible for participation. Where can I appeal this decision?**

A written appeal may be submitted to the Higher Education Student Assistance Authority's Director of Legal and Governmental Affairs within 30 days of the date of the notification of ineligibility. The written appeal must include a copy of the notification of ineligibility received by the applicant from the Authority and the reason(s) why the applicant feels he or she is eligible to participate in the program along with any documentation which the applicant has obtained to support the appeal.