



**CHRIS CHRISTIE**  
Governor

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Lt. Governor

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**GABRIELLE CHARETTE, ESQ.**  
Executive Director

November 16, 2017

Re: Important Changes to the NJCLASS Student Loan Program-Supplemental Guidance

Dear School Partners:

Due to recent legislation there have been some changes made to the NJCLASS student loan program.

Pursuant to P.L.2017 c.198, for student beneficiaries first applying for an NJCLASS loan on or after August 8, 2017 the total NJCLASS loans borrowed for each student may not exceed \$150,000. 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 have previously received NJCLASS loans or who applied for their current loans prior to August 8, 2017.

Public Law 2017 c. 198 also added requirements regarding the use of NJCLASS loans to supplement Direct Federal loan borrowing. To determine the maximum annual NJCLASS 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 also deduct the maximum amount of federal Direct Unsubsidized Loans available to the student from the available NJCLASS loan amount if 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 amount of unmet need prior to certifying the NJCLASS loan amount, regardless of the interest rate. Any NJCLASS loan in process between August 8, 2017 and school notification does not need to be re-evaluated.

If you have any questions regarding these changes, please contact the Client Services Unit via telephone at 800-792-8670 or by email at [Client\\_Services@hesaa.org](mailto:Client_Services@hesaa.org).

Sincerely,

Lorraine M. Staley  
Associate Director, Student Loan Programs