

## CHAPTER 71

AN ACT concerning the New Jersey College Loans to Assist State Students (NJCLASS) Loan Program and supplementing chapter 71C of Title 18A of the New Jersey Statutes.

**BE IT ENACTED** *by the Senate and General Assembly of the State of New Jersey:*

C.18A:71C-31.1 Discharge of student loan in case of death of borrower.

1. a. In the event of the death of an eligible student borrower under the NJCLASS Loan Program, the authority shall fully discharge the obligation of the student borrower and a parent or guardian who cosigned the loan.

b. The executor or administrator of the student borrower's estate shall provide written notification to the authority of the student borrower's death and shall provide the authority with a certified copy of the death certificate within 120 days of the student borrower's death.

C.18A:71C-31.2 Discharge of student loan in case of total, permanent disability of borrower.

2. a. In the event that an eligible student borrower under the NJCLASS Loan Program becomes totally and permanently disabled, the authority shall fully discharge the obligation of the student borrower and a parent or guardian who cosigned the loan. To qualify for the loan discharge the student borrower shall provide the authority with a written statement from a physician, who is a doctor of medicine or osteopathy and is legally authorized to practice, certifying that the student borrower is totally and permanently disabled.

b. As used in this section, "totally and permanently disabled" means the condition of a student borrower who is unable to work and earn money or attend school because of an injury or illness that is expected to continue indefinitely or result in death. A student borrower shall be considered totally and permanently disabled even if the student borrower continues to receive an equal or greater amount of income from the source of income that was used to meet the minimum income requirements at the time the loan was approved.

C.18A:71C-31.3 Deferment of student loan payments due to temporary total disability.

3. a. In the event that an eligible student borrower under the NJCLASS Loan Program becomes temporarily totally disabled, the authority shall grant a deferment of payment of loan principal and interest. To qualify for the loan deferment, the student borrower shall provide the authority with a written statement from a physician, who is a doctor of medicine or osteopathy and is legally authorized to practice, certifying that the student borrower is temporarily totally disabled. The deferment shall begin on the date that the student borrower's temporary total disability is certified to begin and shall end on the date that the eligible student's temporary total disability is certified to end. Interest on the loan shall not accrue during the period of deferment.

b. As used in this section, "temporary total disability" means that the student borrower is unable to work and earn money or attend school during the period needed to recover from the injury or illness. A student borrower shall be considered temporarily totally disabled even if the student borrower continues to receive an equal or greater amount of income from the source of income that was used to meet the minimum income requirements at the time the loan was approved.

4. This act shall take effect immediately.

Approved December 5, 2016.