

CHAPTER 129

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-21.1 Annual report on NJCLASS Loan Program.

1. The authority shall annually submit to the Governor and to the President of the Senate and the Speaker of the General Assembly a report on the NJCLASS Loan Program. The report shall be submitted no later than August 1 of each year and shall include, but not be limited to, the following information: the principal amount of bonds issued to finance the NJCLASS Loan Program in the prior year and the interest rates offered on those bonds; the total principal amount of authority bonds that are outstanding, the interest rates on the bonds, and the retirement schedule for those bonds; the total number and principal amount of outstanding NJCLASS loans, and the total number and principal amount of NJCLASS loans contracted in the prior year; the total number of NJCLASS loans that are in default and the number that entered default in the prior year; the total number of loan collection lawsuits that have been filed under the program, and the number of loan collection lawsuits that were filed in the prior year and the status of those lawsuits; the number of requests filed in the prior year with the authority for the forgiveness of an NJCLASS loan due to the death or total and permanent disability of the borrower, the number of requests that were granted or denied, and the reasons for the denial of requests; the number of requests filed in the prior year with the authority for a loan deferment, the type of deferment requested by the borrower, the number of requests that were granted or denied, and the reasons for the denial of requests; and the number of forbearance requests filed in the prior year with the authority, the number of requests that were granted or denied, and the reasons for the denial of requests.

C.18A:71C-21.2 Development of student loan comparison information document.

2. a. The authority shall develop a student loan comparison information document. The document shall provide information that allows a borrower to compare an NJCLASS loan with loans available under federal student loan programs including the federal PLUS loan program, and shall provide examples of loan repayment under each program. The information provided on the comparison document shall include, but need not be limited to, the following:

(1) loan type, including loan term, interest rate whether fixed or variable, and annual percentage rate (APR);

(2) repayment options, including the availability of income-contingent loan repayment options, and clear information on when repayment would begin and how that may be different from the federal student loan programs;

(3) loan origination, administrative, and other fees over the life of the loan;

(4) estimated cost of borrowing over the life of the loan and estimated monthly payment amounts for each loan type at each of six sample loan disbursement amounts;

(5) availability of loan deferments, loan forbearance, and loan forgiveness, the reasons for which a deferment, a forbearance, or forgiveness may be requested, and the percentage of the requests that are granted;

(6) the average annual default rates under each loan program, the average annual number of loan collection lawsuits filed under each program, and the availability of a loan rehabilitation program; and

(7) the average annual number of wage garnishment orders issued under each program.

b. The comparison information document shall be posted in a prominent location on the authority's website and shall be linked to the online application for an NJCLASS loan. A copy of the document shall be included with a paper NJCLASS loan application. The comparison information document shall be distributed at any financial aid workshop conducted by the authority for high school students or their parents and shall be included in any NJCLASS Loan Program promotional materials distributed by the authority.

3. This act shall take effect immediately.

Approved July 21, 2017.