

CHAPTER 198

AN ACT concerning the NJCLASS loan program and amending N.J.S.18A:71C-23 and N.J.S.18A:71C-25.

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

1. N.J.S.18A:71C-23 is amended to read as follows:

Eligible borrower.

18A:71C-23. Loans under the NJCLASS Loan Program may be made to eligible borrowers. An eligible borrower is an eligible student or any parent or legal guardian providing financial support for a dependent eligible student. The authority shall set maximum loan amounts for each participant based on such factors as the cost of attending the particular institution, family income, value of family assets or other factors the authority may consider relevant. The loans may be secured by such endorsement, co-maker's collateral or other security as may be required by rules and regulations established by the authority. When considering an application, the authority shall use appropriate documents to verify the financial information provided by an eligible borrower or cosigner. The documents that the authority may use to verify the financial information may include, but need not be limited to, certification by the applicants, recent federal income tax returns, current pay stubs, and current bank statements.

2. N.J.S.18A:71C-25 is amended to read as follows:

Maximum loan amounts.

18A:71C-25. a. The authority shall establish maximum annual loan amounts and maximum total loan amounts which may be made under the NJCLASS Loan Program; however, the amount of a NJCLASS Loan Program loan may not exceed, in combination with other financial aid, the total education costs of attending an eligible institution as determined by that institution.

b. In the case of a student borrower who first borrows under the NJCLASS Loan Program after the effective date of P.L.2017, c.198, the maximum total loan amount which may be made shall not exceed \$150,000. The amount of the borrowing cap shall be increased for each academic year over the prior year by the regression-based index value of the Higher Education Price Index. The borrowing cap shall not apply to loans that are consolidating or refinancing existing loans.

c. When establishing the maximum annual loan amount for a student borrower, the authority shall deduct the maximum amount of federal Direct Subsidized 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, the authority shall deduct the maximum amount of federal Direct Unsubsidized Loans available to the student from the available NJCLASS loan amount.

3. This act shall take effect immediately.

Approved August 7, 2017.